



# Florida Retirement System Pension Plan

## Actuarial Valuation as of July 1, 2021

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December 1, 2021

Andrea Simpson  
Interim State Retirement Director  
Florida Department of Management Services, Division of Retirement

**Re: Actuarial Valuation as of July 1, 2021**

Dear Director Simpson:

We have conducted an annual actuarial valuation of the Florida Retirement System (FRS) Pension Plan as of July 1, 2021, for assessing plan funded status and determining actuarially calculated contribution rates prior to blending with FRS Investment Plan contribution rates to create proposed blended statutory contribution rates for the July 2022 - June 2023 plan year. The major findings of the valuation are contained in the following report.

Section 1 contains an Executive Summary of the results of our valuation followed by four sections containing detailed information on Assets (Section 2), Liabilities (Section 3), Contributions (Section 4), and Accounting Statements (Section 5). In the Appendices, we provide information regarding actuarial methods and assumptions, a summary of plan provisions, membership statistics, cost projections, comparisons/reconciliation, risk disclosure 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. Preliminary 2021 valuation results were presented by the actuary to the 2021 FRS Actuarial Assumption Conference held on October 7, 2021. The assumptions are based on Milliman's most recent review of the System's experience, which was for the observation period from July 1, 2013 through June 30, 2018. Additional details on that review of System experience can be located in our October 8, October 23, and October 28, 2019 presentation materials to the 2019 FRS Actuarial Assumption Conference and our formal 2019 Experience Study report, which was issued on December 20, 2019. The assumptions used in this valuation are unchanged from those used in the prior valuation as of July 1, 2020 except for a decrease to the assumption for investment return, as adopted by the 2021 FRS Actuarial Assumption Conference. The investment return assumption for purposes of developing actuarially calculated contribution rates decreased from 7.00% to 6.80%. The 2021 FRS Actuarial Assumption Conference also adopted a 20-year amortization period for bases established on or after July 1, 2021. Additionally, and apart from the 2019 Method Changes established June 30, 2019, bases established before July 1, 2021 were modified to have a remaining amortization period of the lesser of their current remaining amortization period and a 20-year amortization period effective with the amortization payment for the 2022-2023 fiscal year.

In our professional opinion we believe the assumptions and methods used in this report for purposes of developing actuarially calculated contribution rates are reasonable. The accounting calculations for the FRS Pension Plan's financial reporting and its June 30, 2021 ACFR in compliance with the GASB Statement No. 67 use the same investment return assumption as used in this report. The GASB financial reporting information is issued under separate cover. The results of this report are dependent upon future experience conforming to the

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assumptions disclosed in this report. Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

The valuation results were developed using models intended for valuations that use standard actuarial techniques.

Actuarial computations presented in this report are for purposes of assessing funded status and determining the actuarially calculated contribution rates for the FRS Pension Plan. The calculations in the enclosed report have been made on a basis consistent with our understanding of the FRS Pension Plan's funding requirements and goals. Determinations for purposes other than meeting those requirements referenced in this paragraph 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 Florida Department of Management Services, 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 us and those under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable. In our opinion this valuation meets the requirements and intent of Part VII, Chapter 112 and Chapter 121, 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. To the best of our knowledge, there were no known events that were not taken into account in the valuation.

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

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our 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 the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States* published by the American Academy of Actuaries.

We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Respectfully submitted,



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## 1. Executive Summary

This report presents the results of our July 1, 2021 actuarial valuation of the defined benefit Florida Retirement System (FRS) Pension Plan. This valuation is used to determine actuarially calculated Pension Plan-specific employer contribution rates for the July 1, 2022 – June 30, 2023 plan year. The Pension Plan-specific rates developed in this valuation report are then combined with contribution rates from the defined contribution FRS Investment Plan to create blended proposed statutory employer contribution rates. The actual contribution rates paid by employers during the 2022-2023 plan year will be determined by Florida Statutes. The statutory contribution rates in effect for the current 2021-2022 plan year are identical to the blended proposed statutory rates developed in conjunction with the July 1, 2020 actuarial valuation.

On the smoothed Actuarial Value of Assets (AVA) basis used to determine actuarially calculated contribution rates and the Unfunded Actuarial Liability (UAL), Pension Plan funded status increased from 82.0% to 83.4%. On a Market Value of Assets (MVA) basis, Pension Plan funded status calculated on the assumptions and methods in this report for system funding purposes increased from 80.7% to 96.4% due to actual plan year investment return of approximately +30.38%, which is above the assumed prior year return of 7.00%. The effect of the market value asset gain was partially offset by the decrease in the investment return assumption.

As noted above, actuarially calculated employer contribution rates for the Pension Plan are combined with FRS Investment Plan contribution rates to create proposed blended statutory employer contribution rates. At a system-wide composite level, the blended employer contribution rate increased by 0.52% of payroll from 12.33% of payroll in the 2021-2022 plan year to 12.85% in the 2022-2023 plan year. Please note that the blended rate study is issued under separate cover shortly after the publication of this valuation report. The 0.52% of payroll increase was mostly due to the assumption and amortization method changes adopted effective July 1, 2021. The contribution rate increase due to assumption and method changes was partially offset by a plan year investment return on a smoothed Actuarial Value of Assets basis of +11.23%, which is above the assumed prior year return of 7.00%.

Due to strong market value investment performance over the past plan year, the MVA is greater than the smoothed AVA used for funded status and contribution rate calculations by approximately \$27.2 billion as of July 1, 2021. That \$27.2 billion not yet recognized market investment gain will be systematically recognized as a sequence of actuarial investment gains in the UAL via recognition in the AVA over the next several years. If actual market value investment experience during that period fails to meet or exceed the 6.80% assumption used in this valuation, new investment losses will arise and the not yet recognized market investment gain will serve as a buffer, either mitigating or eliminating increases in actuarially calculated employer contribution rates.

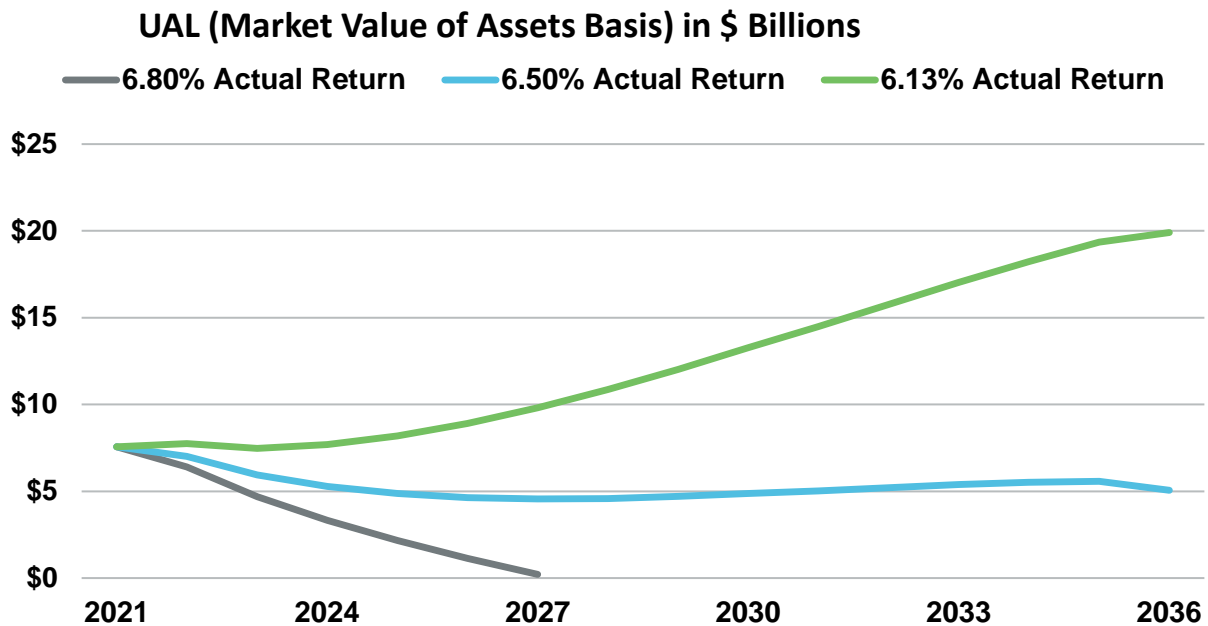
For this valuation, a long-term average annual future investment return assumption of 6.80% was selected by the 2021 FRS Actuarial Assumption Conference. That assumption is 0.20% lower than the assumption used in the previous valuation. In our professional opinion, the 6.80% assumption does **not** significantly conflict with our judgment regarding what would constitute a reasonable assumption for the purpose of the measurement Actuarial Standard of Practice No. 27 (ASOP 27). Our basis for that opinion is that both the 4.17% 50<sup>th</sup> percentile geometric average annual long-term future real return assumption developed by Milliman's 2021 capital outlook model and the 2.40% average annual future inflation assumption selected by the Conference are individually reasonable. Combined, those two individually reasonable assumption components would produce a geometric average annual nominal return assumption of 6.67%, which in our opinion is clearly reasonable. The Conference's selected 6.80% investment return assumption does not significantly conflict with the clearly reasonable 6.67% assumption level.

More details on the return assumption are shown in our 2021 FRS Actuarial Assumption Conference presentation materials.

All else being equal, the lower the selected investment return assumption, the higher the likelihood the FRS Pension Plan will meet or exceed its assumed investment return in future years. A lower assumption would result in higher short-term actuarially calculated contribution rates for employers but would also serve to lessen the magnitude of actuarially calculated contribution rate increases in the event that actual future investment performance fails to meet the assumption.

Actual future investment return experience for the FRS Pension Plan is not affected by the assumption used in the actuarial valuation. Applying the 6.80% assumption used in this valuation, the following graph illustrates the UAL (Unfunded Actuarial Liability) on a Market Value of Assets basis under three scenarios for steady actual future investment returns on a market value basis:

- 6.80%, which is the assumption selected for this valuation by the 2021 FRS Actuarial Assumption Conference
- 6.50%, which is close to the 50<sup>th</sup> percentile assumption of 6.44% developed by geometrically combining the 3.95% median real return rate from Aon’s model and the 2.4% inflation assumption selected by the Conference
- 6.13%, which is the 50<sup>th</sup> percentile assumption in the asset/liability model developed for the SBA by Aon in consultation with the 2021 FRS Actuarial Assumption Conference (the Aon model’s 6.13% return consists of the geometric combination of 3.95% median real return and 2.1% inflation)



As illustrated in the graph, if actual future investment returns match the 6.80% assumption the UAL on a market value of assets basis would decrease to \$0 during the 2027-2028 plan year

If actual market returns are 6.50% and thus underperform the 6.80% assumption by 0.30%, the UAL on a market value basis would decrease during the first several years and then remain fairly level during the remainder of the illustrated 15-year projection period. If actual market investment returns equal the 50<sup>th</sup> percentile return of 6.13%

from the 2021 Aon model, the UAL would increase by over \$12 billion over the modeled 15-year period if actuarially calculated contributions are made and all other experience follows the assumptions used in this valuation.

This 2021 actuarial valuation uses the Individual Entry Age Normal (Individual EAN) actuarial cost allocation method. The actuarial cost allocation method divides the present value of total projected benefits for each active member between past service (Actuarial Liability, or AL) and future service (present value of future normal costs). The actuarial cost allocation method does not impact the calculation of the present value of total projected benefits. Prior to the 2019 valuation, the Ultimate Entry Age Normal (Ultimate EAN) actuarial cost allocation method was used. The 2019 change in the actuarial cost allocation method increased the Normal Cost Rate and decreased the Actuarial Liability and UAL Rate when compared to the prior method. The Individual EAN method is mandated by GASB for financial reporting calculations under GASB Statements Nos. 67 & 68 and has been used for GASB reporting in all years those two statements have been in effect.

The tables immediately following compare July 1, 2020 actuarial valuation results with July 1, 2021 actuarial valuation results. The difference column shows the change between the July 1, 2020 valuation results and the July 1, 2021 valuation results.

**A. Assets, Liabilities, and Funded Status**

A comparison of the Actuarial Liability and Actuarial Value of Assets (AVA) follows. These figures are based upon the actuarial assumptions used to determine the actuarial costs of the FRS Pension Plan (see Appendix A). Under current methodology, and as required by Florida law, the AVA cannot be less than 80% or greater than 120% of the Market Value of Assets (MVA). This corridor restriction does not come into play unless there are dramatic asset gains or losses in the prior plan year. The purpose of the corridor is to ensure that the “smoothed” value of assets does not vary from the market value by more than 20%. As of July 1, 2021, the AVA is 86.5% of the MVA.

		Valuation Results (numbers in \$ billions)		
		July 1, 2020	July 1, 2021	Difference
1.	Actuarial Liability	\$200.3	\$209.6	\$9.3
2.	Actuarial Value of Assets	<u>\$164.3</u>	<u>\$174.9</u>	<u>\$10.6</u>
3.	Unfunded Actuarial Liability (1 - 2)	\$36.0	\$34.7	(\$1.3)
4.	Funded Percentage (2 / 1)	82.0%	83.4%	1.4%

In Section 5 of this report we present an additional measure of funded status based on a different liability measure, the "Accumulated Benefit Obligation" (ABO), comparing the ABO to both the AVA and the MVA.



## B. Contributions

Actuarially calculated contribution rates by class are determined annually in the actuarial valuation. Actual contribution rates paid by employers for each class are set by statute and consist of Normal Cost and UAL Cost components. For the 2021-2022 plan year, the actuarially calculated rates determined by the July 1, 2020 valuation and the legislated rates are equivalent. The 2022-2023 actual contribution rates will be set by the 2022 session of the Florida Legislature, with advice from this valuation and the associated 2022-2023 Blended Rate Study that will be issued subsequent to the publication of this valuation. The Unfunded Actuarial Liability (UAL) amortization payment will consist primarily of costs or savings associated with plan changes, assumption changes, differences between actual and assumed experience, and changes in actuarial methodology. As of July 1, 2021, the FRS Pension Plan has a UAL of \$34.7 billion on a smoothed Actuarial Value of Assets basis. The UAL Cost is calculated to systematically eliminate the UAL over a pre-determined amortization period if actual future experience follows assumptions and contributions are made in accordance with the funding policy.

The comparative FRS Pension Plan-specific employer contribution rates for the Regular and Special Risk membership classes resulting from this valuation and the prior valuation are as follows. See Section 4 for more details on rate development and valuation results for all membership classes.

	July 1, 2020 Valuation (2021-2022 Rates)		July 1, 2021 Valuation (2022-2023 Rates)		Difference	
	Regular	Special Risk	Regular	Special Risk	Regular	Special Risk
	Employer Normal Cost Rate	5.34%	15.57%	5.73%	16.32%	0.39%
UAL Contribution Rate <sup>1</sup>	<u>5.34%</u>	<u>10.45%</u>	<u>5.52%</u>	<u>11.16%</u>	<u>0.18%</u>	<u>0.71%</u>
Employer Contribution Rate Prior to Blending with FRS IP Payroll	10.68%	26.02%	11.25%	27.48%	0.57%	1.46%

<sup>1</sup> The 0.18% increase in UAL Contribution Rate for the Regular class represents a 1.25% increase in rates due to assumption and amortization method changes offset by a 1.07% decrease due to other experience. The 0.71% increase in UAL Contribution Rate for the Special Risk class represents a 2.13% increase in rates due to assumption and method changes offset by a 1.42% decrease in rates due to other experience.

## C. Membership

The total membership (active, terminated vested, retired, and DROP) of the FRS Pension Plan decreased by 14,154 members from 1,044,589 as of July 1, 2020 to 1,030,435 as of July 1, 2021, a decrease of 1.4%. The total annualized projected payroll of non-DROP active Pension Plan members decreased by 0.3%, from \$24.54 billion for the 2020-2021 plan year to \$24.46 billion for the 2021-2022 plan year, a \$0.08 billion decrease in payroll. Note that the payroll on which UAL Cost rates are determined is higher and includes the payroll of DROP members and participants in Optional Retirement Plans subject to the statutory UAL Cost payroll rate contribution.

A summary of Pension Plan membership change by status follows:

	Valuation Results: Counts		
	July 1, 2020	July 1, 2021	% Change
Active Members	477,495	457,249	-4.2%
Terminated Vested Members	103,458	103,472	0.0%
Retired Members	428,396	435,944	1.8%
DROP Members	<u>35,240</u>	<u>33,770</u>	-4.2%
Total Members	1,044,589	1,030,435	-1.4%

#### D. Experience

Changes to assets and liabilities between July 1, 2020 and July 1, 2021 are described in this section.

##### 1. Assets:

Changes in the smoothed Actuarial Value of Assets (AVA) during the plan year were due to:

▪ Contributions received	\$ 4.707
▪ Payment of benefits and administrative expenses	(12.147)
▪ Assumed plan year investment returns	11.240
▪ Investment plan year gain/(loss) experience (on smoothed asset measure)	<u>6.796</u>

Total plan year Actuarial Value of Assets increase \$ 10.596 Billion

The actual plan investment return on the AVA was 11.23% compared to the prior valuation's assumed return of 7.00%. On a market-value basis, the assets earned 30.38%. On a year-by-year basis, asset returns were as follows:

	Rates of Return <sup>1</sup>		
	2018/2019	2019/2020	2020/2021
Market Value	5.97%	3.34%	30.38%
Actuarial Value	7.82%	6.77%	11.23%

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

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

Changes in the Actuarial Liability during the plan year were due to:

▪ Expected increase, due to combined effects of Normal Cost plus interest-related growth in Actuarial Liability less benefit payments during plan year	\$ 4.142
▪ Changes in plan provisions	0.000
▪ Changes in assumptions	4.700

Liability Plan Year (Gain) / Loss Experience

▪ Active member salary increases different than assumption	(0.035)
▪ New active members	0.339
▪ Retirement and DROP entry behavior	0.530
▪ Inactive mortality	(0.227)
▪ Other demographic sources not noted above <sup>1</sup>	<u>(0.090)</u>
▪ Liability plan year (gain) / loss experience	0.517

Total plan year Actuarial Liability increase \$ 9.359 Billion

*1. Reflects the combined effects of all other liability (gain)/loss sources for actuarial experience compared to assumptions used in the July 1, 2020 actuarial valuation. These include actual experience for pre-retirement turnover, second election transfers to the Investment Plan, active member death and disability, and all other actual experience not otherwise noted in the table above compared to assumed on the demographic assumptions used to calculate July 1, 2020 actuarial valuation results.*

**3. Unfunded Actuarial Liability (UAL):**

The net change in the UAL of the FRS Pension Plan was a decrease of \$1.237 billion<sup>2</sup>, from \$35.975 billion to \$34.738 billion. The net increase is attributable to the following:

Change due to:

▪ Expected increase, based on the net combined effect of plan contributions received, interest, and assumed investment and demographic experience	\$0.342
▪ Changes in plan provisions	0.000
▪ Changes in assumptions	4.700
▪ Investment plan year (gain)/loss experience (on smoothed asset measure)	(6.796)
▪ Liability plan year (gain)/loss experience	<u>0.517</u>

Total plan year increase/(decrease) in UAL (\$1.237) Billion

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

*2. The UAL decreased from \$35,974,651,000 to \$34,737,594,000, the difference of which is a \$1.237 decrease when rounded to the nearest million.*

**2020-2021 Plan Year (Gain)/Loss Experience<sup>1</sup>**  
 (\$ in Thousands)

	Regular	Special Risk	Special Risk Administrative	-- Elected Officers' Class --			Senior Management	Grand Total
			Judicial	Leg-Atty-Cab	Local			
<b>Investment plan year (gain)/loss experience</b>	<b>(\$5,129,066)</b>	<b>(\$1,470,115)</b>	<b>(\$3,064)</b>	<b>(\$42,083)</b>	<b>(\$2,604)</b>	<b>(\$13,192)</b>	<b>(\$135,807)</b>	<b>(\$6,795,931)</b>
<u>Liability plan year (gain) / loss experience by source</u>								
Assumption changes	3,365,369	1,143,258	1,723	32,800	2,677	14,734	138,942	4,699,503
Active member salary increases different than assumption	(243,524)	198,337	11	(965)	521	4,077	6,078	(35,465)
New active Pension Plan members <sup>2</sup>	175,173	61,799	(1,124)	7,835	3,489	12,387	83,826	343,385
Retirement and Drop Entry Behavior	237,064	265,840	480	4,482	1,098	8,486	13,604	531,054
Inactive Mortality	(266,549)	5,358	305	7,152	796	1,292	24,444	(227,202)
Other demographic sources not noted above <sup>3</sup>	<u>(250,813)</u>	<u>137,388</u>	<u>458</u>	<u>2,664</u>	<u>503</u>	<u>200</u>	<u>15,665</u>	<u>(93,935)</u>
<b>Liability plan year (gain) / loss experience</b>	<b>\$3,016,720</b>	<b>\$1,811,980</b>	<b>\$1,853</b>	<b>\$53,968</b>	<b>\$9,084</b>	<b>\$41,176</b>	<b>\$282,559</b>	<b>\$5,217,340</b>

<sup>1</sup> For purposes of this exhibit, liabilities and assets associated with members in DROP are allocated to their respective membership classes. This differs from their representation in Section 4, where UAL bases are tracked separately for the DROP.

<sup>2</sup> Includes re-hires, transfers from the Investment Plan, and the net liability effect of class-to-class transfers of Pension Plan members.

<sup>3</sup> Reflects the combined effects of all other liability (gain)/loss sources for actuarial demographic experience compared to assumptions used in the July 1, 2020 valuation. This includes the effects of second election transfers to the Investment Plan and changes to census data reporting.

**4. Actuarially Calculated FRS Pension Plan-specific Contribution Rates prior to blending with the FRS Investment Plan:**

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

	-- Elected Officers' Class --						Senior Management
	Regular	Special Risk	Special Risk Administrative	Judicial	Leg-Atty-Cab	Local	
A. 1. July 1, 2020 Employer Normal Cost Rate	5.34%	15.57%	11.31%	13.82%	9.19%	10.97%	7.09%
2. UAL Contribution Rate	<u>5.34%</u>	<u>10.45%</u>	<u>35.91%</u>	<u>30.68%</u>	<u>75.47%</u>	<u>57.81%</u>	<u>28.92%</u>
3. Total July 1, 2020 Actuarially Calculated Employer Contribution Rate (1.+2.)	10.68%	26.02%	47.22%	44.50%	84.66%	68.78%	36.01%
B. 1. July 1, 2021 Employer Normal Cost Rate	5.73%	16.32%	11.70%	14.48%	9.00%	10.98%	7.59%
2. UAL Contribution Rate (See Table 4-11)	<u>5.52%</u>	<u>11.16%</u>	<u>36.66%</u>	<u>33.24%</u>	<u>80.39%</u>	<u>63.41%</u>	<u>31.03%</u>
3. Total July 1, 2021 Actuarially Calculated Employer Contribution Rate (1.+2.)	11.25%	27.48%	48.36%	47.72%	89.39%	74.39%	38.62%
C. Change in Total Actuarially Calculated Employer Contribution Rate (B.3.-A.3.)	0.57%	1.46%	1.14%	3.22%	4.73%	5.61%	2.61%

E. Graphs

Chart A: Assets / Liabilities

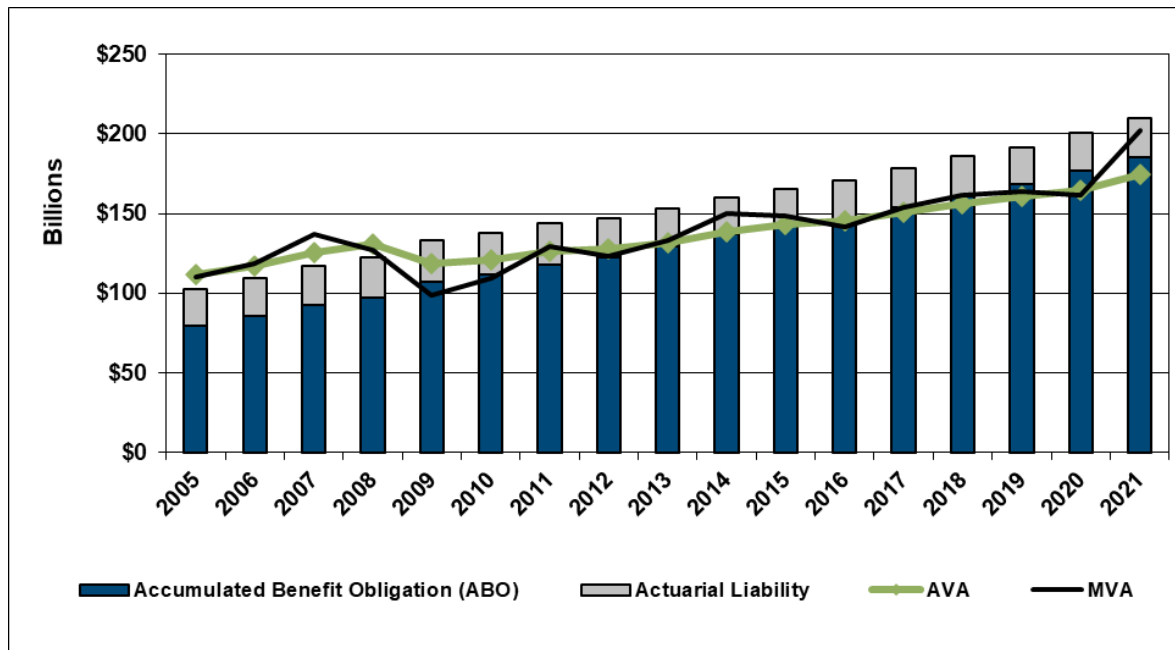
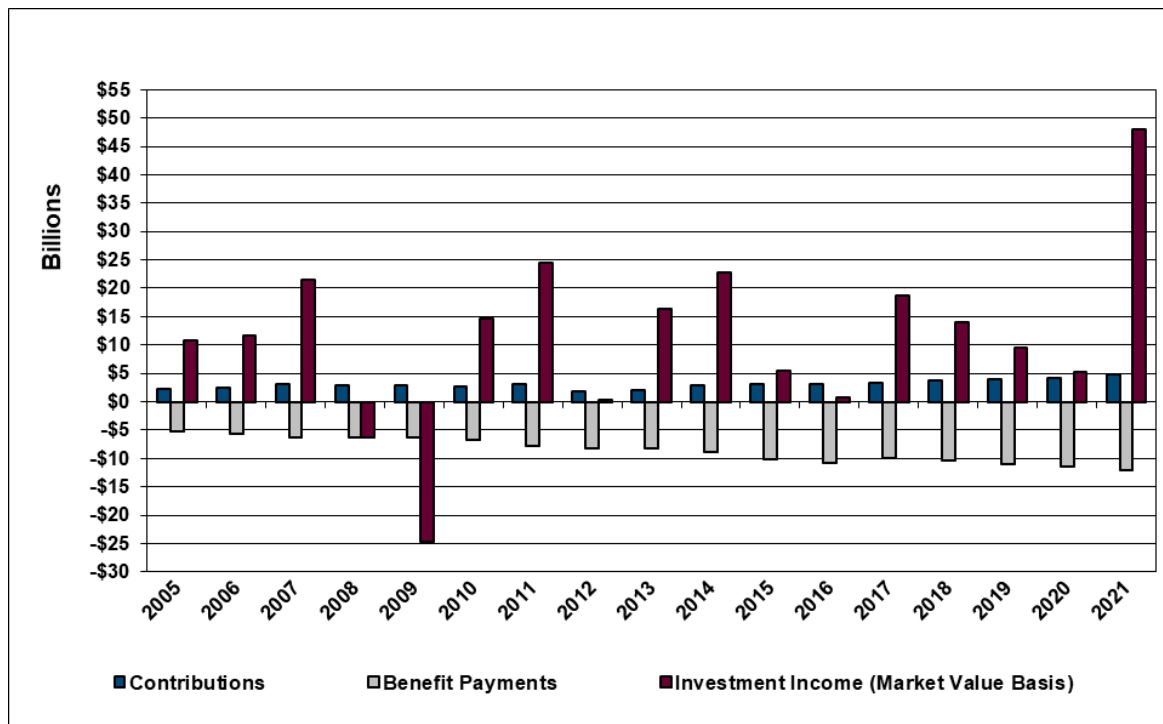
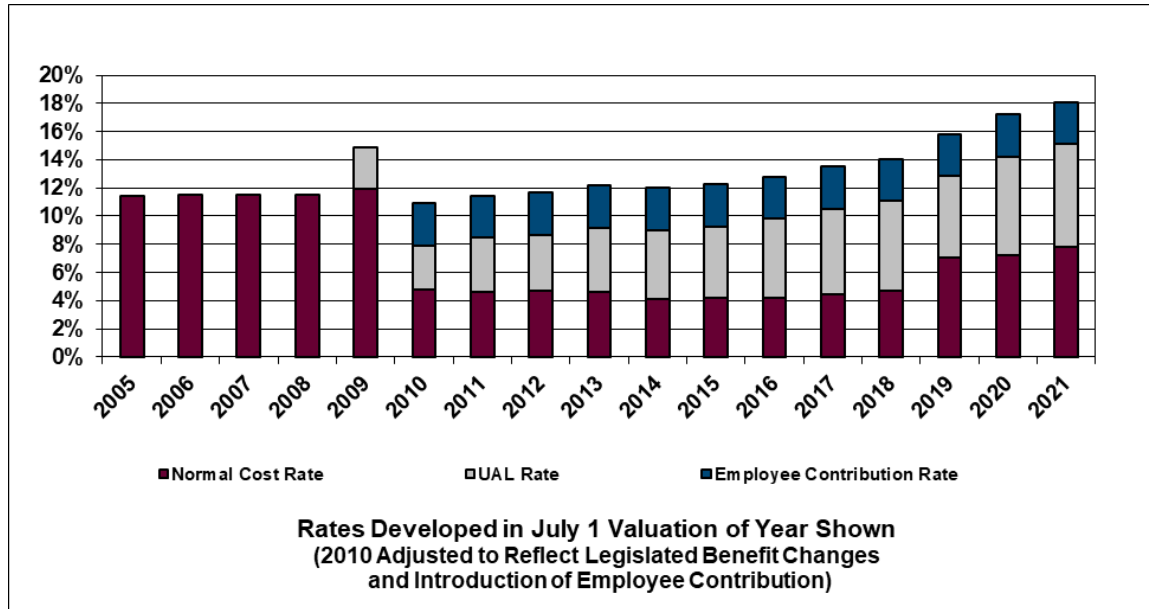


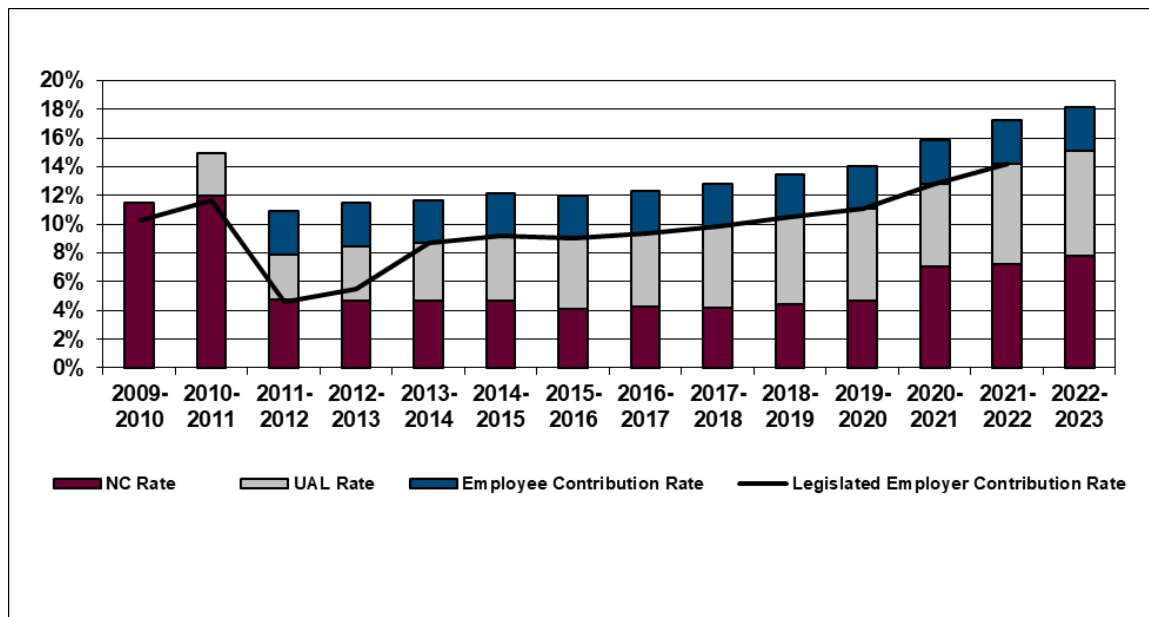
Chart B: Cash Flows



**Chart C: Actuarially Calculated Pension Plan Contribution Rates<sup>1</sup> (as % of Payroll)**



**Chart D: Actuarially Calculated vs. Legislated Employer Contribution Rates<sup>1</sup> (as % of Payroll)**



<sup>1</sup> Charts C and D show the Pension Plan components of proposed contribution rates prior to blending with Investment Plan contribution rates to create proposed statutory contribution rates. Historically, the Florida Legislature has enacted contribution rates which are charged uniformly on combined Investment Plan and Pension Plan payroll. Charts C and D reflect the Pension Plan component of proposed blended statutory rates, consistent with Table 4-12.

## F. Summary Comments

We caution that the results herein are applicable only for the next plan year. More than anything, actual future investment results will impact long-term future contribution rates. The investment return assumption selected affects the timing and pattern of contributions but does not affect the long-term cost of the plan, which is governed by the Fundamental Cost Equation [Benefit Payments + Expenses = Contributions + Actual Investment Returns].

- The most recent experience study covered the period from July 1, 2013 to June 30, 2018. Experience studies are performed every five years and compare actual plan experience to the assumptions used in the annual valuations. This valuation reflects the method and assumptions changes proposed by the 2019 Experience Study and adopted by the 2019 FRS Actuarial Assumption Conference for use in the July 1, 2019 valuation.
- This valuation reflects further changes to the assumptions for inflation and individual member pay increases adopted by the 2020 FRS Actuarial Assumption Conference.
- This valuation also reflects further changes to the assumption for investment return adopted by the 2021 FRS Actuarial Assumption Conference. The Conference also adopted a 20-year amortization period for bases established on or after July 1, 2021. Additionally, and apart from the 2019 Method Change established June 30, 2019, bases established before July 1, 2021 were modified to have a remaining amortization period of the lesser of their current remaining amortization period and a 20-year amortization period effective with the amortization payment for the 2022-2023 fiscal year.
- Subsequent FRS Assumption Conferences may, at the discretion of the Conference Principals, consider changes to items such as the investment return assumption or modifications to other assumptions and methods.

Future proposed blended statutory rates for the System will be impacted by choice elections for the defined contribution FRS Investment Plan (IP), which is available as an alternative to the defined benefit FRS Pension Plan for members. The existence of the IP affects the FRS Pension Plan contribution rates inasmuch as active members can elect to participate in either the FRS Pension Plan or the IP. Thus, member plan election decisions can affect the demographic composition of the FRS Pension Plan. Current IP membership is between 27% and 28% of total active membership on a headcount basis. Based on legislation effective January 1, 2018 the default plan for newly enrolled non-Special Risk members who do not make an active plan election is now the FRS Investment Plan.

We mention these caveats because the actuarial valuation process merely measures the impact of these factors on FRS Pension Plan 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 variations in actual investment return could necessitate changes in the actuarially calculated contribution rates.

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

## G. DROP Contribution Rate

The DROP (Deferred Retirement Option Program) started in 1998, with a study completed prior to the DROP's implementation showing an anticipated material cost increase due to its introduction. Since its introduction and consistent with legislative directive, employers have been charged a uniform DROP contribution rate on all DROP payroll without regard to a participant's membership class. In addition, the asset allocation developed in Table 2-5



is performed so that the DROP's funded percentage is set equal to the composite funded percentage of the FRS Pension Plan.

The DROP contribution rate has two components: Normal Cost and UAL Cost. The Normal Cost is set to the composite FRS Pension Plan average employer-paid Normal Cost Rate of 7.77%. The calculation of the UAL Cost for the DROP is consistent with the calculation of the UAL Cost component of the other membership classes. Essentially, the DROP is allocated a share of plan assets such that the DROP's funded percentage is equal to the composite FRS Pension Plan's funded percentage. This asset allocation to DROP results in a UAL Cost for DROP payroll of 9.15%. The total DROP contribution rate (Normal Cost plus UAL Cost) in this valuation is 16.92%, compared to a DROP contribution rate of 16.68% in the prior valuation.

## 2. Assets

In many respects, an actuarial valuation can be considered similar to an inventory process. The inventory is taken annually as of the actuarial valuation date, which for this valuation is July 1, 2021. On that date, the assets available for the payment of current and future benefits are appraised. These assets are compared with the inventory of Actuarial Liability. This inventory process leads to a method of calculating what contributions by members and/or their employers are needed to systematically eliminate any shortfall if future experience follows assumptions. Prior to publication of this report, preliminary 2021 valuation results were presented by the actuary to the 2021 FRS Actuarial Assumption Conference.

This section of the report deals with the asset determination. In the next section, the Actuarial Liability will be discussed. Section 4 will deal with the process for determining actuarially calculated contribution rates in order to systematically eliminate any shortfall between the assets and Actuarial Liability.

Two measures of FRS Pension Plan assets are presented in the valuation:

1. The Market Value of Assets (MVA) provides the most accurate fair market “snapshot date” assessment of plan resources at a given date, and will be used on the balance sheet statements of position for the FRS Pension Plan and its participating employers for GASB financial reporting purposes. It tends to be the more volatile of the two asset measures and is not used for determining the actuarially calculated contribution rates.
2. The Actuarial Value of Assets (AVA) is a second measure of FRS Pension Plan asset holdings. It is related to the MVA, but uses a smoothing technique applied to mitigate year-to-year market fluctuations by recognizing actual single year investment returns different from the long-term assumption systematically over a multi-year period. The AVA is the basis for determining actuarially calculated contribution rates, and the smoothing technique is used to stabilize year-to-year contribution rate changes.

The actuarial smoothed asset valuation measure, implemented in 1989, reflects a five-year averaging methodology, as required by Section 121.031(3)(a) of Florida Statutes. Under this method, the expected actuarial value of assets is determined by crediting the rate of investment return assumed in the prior valuation (7.00%) to the prior year’s AVA. Then, 20% of the difference between the actual market value and the expected actuarial value of assets is immediately recognized in the AVA. The AVA is also restricted by a 20% corridor around the MVA, so that the AVA cannot be greater than 120% or less than 80% of the MVA. Table 2-3 presents the details of this calculation. As of July 1, 2021, the AVA is 86.5% of the MVA.

Six tables are presented in this section, summarizing the financial resources of the FRS Pension Plan on July 1, 2021. Table 2-1 shows the reconciliation of valuation assets from June 30, 2020 to June 30, 2021. The assets are presented by category in Table 2-2. Table 2-3 provides a detailed development of the July 1, 2021 AVA. In Table 2-4, the AVA is initially allocated to each membership class, based on estimated cash flows. The table also shows the allocation of assets to/from the various classes from/to the DROP. Table 2-5 shows the derivation of the allocation of assets to/from the DROP in order that the DROP’s funded percentage is equal to the funded percentage of the FRS Pension Plan as a whole. Finally, Table 2-6 presents rates of return for the 2020-2021 plan year and the two prior plan years.

The Market Value of Assets as of July 1, 2021 was based on information furnished to us by the Division of Retirement, Florida Department of Management Services. 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 2-1**  
**Florida Retirement System**  
**Reconciliation of Market Value of Assets Used for Valuation**  
**DB Plan Trust**

<b>Market Value of Assets for Actuarial Valuation as of June 30, 2020</b>	<b>\$161,568,265,280</b>
Contributions by Source:	
Pension Contributions - Employer	3,809,567,951
Pension Contributions - Employees	750,563,213
Transfers from IP - Second Elections	140,431,389
Purchase of Time by Employees	5,967,001
Investment Income	
Interest Income	708,365,026
Dividend Income	1,803,963,644
Real Estate Income	472,325,418
Securities Lending Income	25,317,850
Other	3,848,818,147
Less Investment Activity Expense	(691,343,311)
Less Securities Lending Expense	(3,079,564)
Other Income	3,190,831
Net Realized and Unrealized Appreciation	41,787,108,569
Pension Payments <sup>1</sup>	(11,435,252,714)
Contribution Refunds	(21,589,878)
Disbursements to IP - Second Elections	(668,695,708)
Administrative Expenses	(21,740,598)
 <b>Market Value of Assets for Actuarial Valuation as of June 30, 2021</b>	 <b>\$202,082,182,546</b>

<sup>1</sup> Includes Accrued DROP Liability of \$308,788,420 representing single sum DROP benefits of members who retired from DROP on or before June 30, 2021.

**Table 2-2**  
**Florida Retirement System Pension Plan**  
**Summary of Market Value of Assets for Actuarial Valuation <sup>1</sup>**  
 (by Asset Category; \$ in Thousands)

<b>ASSETS</b>	<b>Market Value as of July 1,</b>	
	<b>2020</b>	<b>2021</b>
Cash and cash equivalents	\$92,972	\$84,368
State Treasury Investment Pool	89,989	93,812
Total cash and cash equivalents	\$182,961	\$178,180
 <u>Investments:</u>		
Certificates of Deposit	\$0	\$0
U.S. Government and Federally Guaranteed Obligations	14,837,162	17,884,329
Federal Agencies	8,169,761	9,467,240
Commercial Paper	1,127,836	2,828,161
Repurchase Agreements	800,000	1,000,000
International Bonds and Notes	2,448,364	3,152,081
Bonds and Notes	9,023,625	9,359,596
Real Estate Contracts	11,996,483	10,663,262
International Equity Commingled / Mutual Funds	7,089,845	9,997,729
Short Term Investment Funds	238,806	55,851
Domestic Equity / Domestic Equity Commingled	48,275,740	62,378,794
Alternative Investment	28,780,594	39,472,450
International Equity	31,129,943	39,304,609
Other Investments	58,858	79,306
Total Investments	\$163,977,017	\$205,643,408
 <u>Receivables:</u>		
Contributions receivable	242,581	331,687
Pending Investment Sales	1,073,650	1,078,133
Forward Contracts receivable	0	0
Other Receivables	502,664	843,187
Total receivables	\$1,818,895	\$2,253,007
Security Lending Collateral	\$1,830,474	\$1,983,381
Prepaid items; Furniture & Equipment net Accumulated Depreciation	5,959	6,382
Restatement of beginning net position	N/A	N/A
Total Assets	\$167,815,306	\$210,064,358
 <b>LIABILITIES</b>		
Accrued DROP liability <sup>2</sup>	298,096	308,788
Obligations under Security Lending Agreements	1,846,482	2,015,232
Pending Investment Purchases	3,657,896	4,907,134
Forward Contracts payable	0	0
Other Liabilities and Payables	424,504	726,792
Total Liabilities	\$6,226,978	\$7,957,946
 <b>DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to other postemployment benefits	2,586	2,204
Deferred inflows related to pension amounts	(19,101)	(20,104)
Deferred inflows related to other post employment benefits	(3,548)	(6,330)
Net Deferred Inflows and Outflows of Resources	(\$20,063)	(\$24,230)
 <b>FIDUCIARY NET POSITION</b>		
<b>Held in trust for pension benefits</b>	<b>\$161,568,265</b>	<b>\$202,082,183</b>

<sup>1</sup> Amounts shown in exhibit are rounded to the nearest thousand. As such, sums may differ from amounts displayed due to rounding.

<sup>2</sup> Per our understanding, the accrued DROP liability represents lump sum DROP exit payments made early in the subsequent plan year for members exiting the DROP on or shortly before the asset measurement date.

**Table 2-3**  
**Florida Retirement System Pension Plan**  
**Development of 2021 Actuarial Value of Assets**

1. FRS Market Value of Assets on June 30, 2020 for Actuarial Valuation	\$161,568,265,280
2. Actuarial Value of Assets on July 1, 2020	\$164,302,518,883
3. 2020/2021 Net Cash Flow (Contributions less Benefits and Administrative Expenses)	(\$7,440,749,344)
4. Preliminary Actuarial Value of Assets, July 1, 2021, if Items 2 and 3 earned an assumed rate of 7.00%	\$168,102,519,634
5. Market Value of Assets, June 30, 2021 for Actuarial Valuation	\$202,082,182,546
6. Net Assets (Actuarial Value Basis) Available for Benefits Prior to Application of 80%/20% Corridor $4 + ((5 - 4) \times 20\%)$	\$174,898,452,216
7. 120% of Market Value [120% (5)]	\$242,498,619,055
8. 80% of Market Value [80% (5)]	\$161,665,746,037
9. Actuarial Value of Assets on July 1, 2021 Lesser of (6) and (7), but not less than (8)	<b>\$174,898,452,216</b>
10. Ratio of July 1, 2021 Actuarial Value of Assets to Market Value on June 30, 2021 for Actuarial Valuation	<b><u>86.55%</u></b>

**Table 2-4**  
**Florida Retirement System Pension Plan**  
**Development of Actuarial Value of Assets**  
**by Membership Class<sup>1</sup>**  
 (\$ in Thousands)

	Regular	Special Risk	Special Risk Administrative	-- Elected Officers' Class --		Local	Senior Management	DROP	Total System
1. Allocated Actuarial Value of Assets by Class, July 1, 2020	\$113,421,119	\$31,802,418	\$71,010	\$929,729	\$55,272	\$285,925	\$2,882,450	\$14,854,596	\$164,302,519
2. Total Contribution for the Plan Year	2,662,269	1,269,601	610	58,189	9,276	45,448	278,210	382,926	4,706,529
3. Benefit Payments and other Disbursements	(8,555,346)	(2,250,436)	(7,471)	(108,294)	(9,970)	(55,312)	(317,167)	(843,283)	(12,147,279)
4. Allocated Investment Earnings on AVA Basis	12,408,571	3,516,983	7,591	101,614	6,169	31,561	321,571	1,642,623	18,036,683
5. Unadjusted Actuarial Value of Assets (1) + (2) + (3) + (4)	119,936,613	34,338,566	71,740	981,238	60,747	307,622	3,165,064	16,036,862	174,898,452
6. Net Reallocation (see Table 2-5)	461,878	170,579	183	6,617	379	2,044	22,843	(664,523)	0
7. Allocated Actuarial Value of Assets by Class, July 1, 2021: (5) + (6)	\$120,398,491	\$34,509,145	\$71,923	\$987,855	\$61,126	\$309,666	\$3,187,907	\$15,372,339	\$174,898,452

<sup>1</sup> Information provided that aligns plan year contributions and disbursements to the individual membership classes does not sum to the exact total of the system-level totals reported in the financial statements. As a result, lines 2 and 3 above are allocated to the membership classes in proportion to class-level information provided, and then are "trued-up" to the totals reported at the system level. These lines also reflect the effect of active Pension Plan members moving from one membership class to another since the previous valuation date.

**Table 2-5**  
**Florida Retirement System Pension Plan**  
**Reallocation of Actuarial Value of Assets to/from DROP**  
**by Membership Class**  
 (\$ in Thousands)

	<u>Regular</u>	<u>Special Risk</u>	<u>Special Risk Administrative</u>	<u>Judicial</u>	<u>-- Elected Officers' Class --</u>		<u>Senior Management</u>	<u>DROP</u>	<u>Total System</u>
					<u>Leg-Atty-Cab</u>	<u>Local</u>			
1. Actuarial Accrued Liability, July 1, 2021								\$18,425,433	\$209,636,046
2. Unadjusted Actuarial Value of Assets, July 1, 2021 prior to reallocation								16,036,862	174,898,452
3. Unfunded Actuarial Liability (UAL): (1) - (2)								\$2,388,571	\$34,737,594
4. Aggregate Funded Percentage: (2) / (1)								87.04%	83.43%
5. DROP Assets Required to Meet Aggregate Funded Percentage: (1) x (4) [Total System] - (2)								(\$664,523)	
6. Proportion of DROP Liability by Class	0.6951	0.2567	0.0003	0.0100	0.0006	0.0031	0.0344	N/A	1.0000
7. Assets to be Reallocated	\$461,878	\$170,579	\$183	\$6,617	\$379	\$2,044	\$22,843	(\$664,523)	\$0

**Table 2-6**  
**Florida Retirement System Pension Plan**  
**Rates of Return on Investments**  
(Assumes net cash flow occurs mid-year)

Asset Bases	Rates of Return		
	2018/2019	2019/2020	2020/2021
Market Value	5.97%	3.34%	30.38%
Actuarial Value	7.82%	6.77%	11.23%



### 3. Liabilities

In the previous section, an actuarial valuation was compared to an inventory process, and an analysis was given of the inventory of assets of the FRS Pension Plan as of the valuation date, July 1, 2021. In this section, the discussion will focus on the projected future benefit commitments of the FRS Pension Plan allocated to service already performed under the actuarial cost allocation method, which will be referred to as its Actuarial Liability. In Section 5 other liability measures are presented based on accounting principles of the Financial Accounting Standards Board (FASB). Calculations required by the Governmental Accounting Standards Board (GASB) are developed and issued as part of a separate report. It is important to note that the accounting liabilities shown in Section 5 of this report and in the separate GASB report are for informational disclosure and comparison purposes, while the Actuarial Liability calculated in this section is used for determining the FRS Pension Plan actuarially calculated contribution rates prior to blending with FRS Investment Plan contribution rates to create blended proposed statutory rates.

A fundamental principle in financing a retirement program is that the projected cost of future retirement benefits should be allocated to the period in which service is performed, rather than during the post-retirement period of benefit distribution. There are several methods that can be used in making such an allocation.

Beginning with the July 1, 2019 actuarial valuation for funding purposes, the Individual Entry Age Normal (Individual EAN) actuarial cost allocation method was selected by the FRS Actuarial Assumption Conference. The actuarial cost allocation method used does not affect the calculation of overall projected Pension Plan benefits (Present Value of Benefits), but it does affect the allocation of those benefits over a member's projected working career between past (Actuarial Liability), current year (Normal Cost) and all future projected service (Present Value of Future Normal Costs). The Present Value of Benefits is equal to the sum of the Actuarial Liability and the Present Value of Future Normal Costs.

Members initially enrolled on or after July 1, 2011 (Tier II) have different benefit and retirement eligibility provisions than Tier I members. Under the Individual EAN method, the Normal Cost is calculated separately for each of the individual members, based on their ages at entry into the System, and the tier-specific benefit provisions. The individual Normal Costs of all members are 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. The actuarial Present Value of 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. Individual EAN sets normal cost in a manner that is representative of the tier in which the member actually participates.

The difference between the Actuarial Liability and the Actuarial Value of Assets accumulated as of the actuarial valuation 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.) The UAL Contribution Rate is calculated in a manner such that the UAL will fully amortize in accordance with the schedules in Section 4 of this report if actual future experience follows the assumptions used in the valuation and contributions are made each year at levels equal to actuarially calculated contribution rates.

The UAL will grow with interest and Normal Cost while contributions will reduce it.

Benefit improvements, actuarial gains and losses (variations in investment results and demographic changes from assumption), and changes in actuarial assumptions and methods will also have an effect on the Actuarial Liability and on the UAL.

After the amount of the UAL has been determined, as part of the rate calculation methodology, the actuarially calculated contribution rates include a component for the amortization of the UAL. A schedule of contributions is established to amortize the UAL. In Section 4 of the report, we discuss the contribution schedules in detail.

Table 3-1 contains a breakdown of the Actuarial Liabilities and Unfunded Actuarial Liabilities in the FRS Pension Plan for the 2020 valuation and the 2021 valuation. In Table 3-2, the 2021 liabilities are shown for each membership class.

Legislation enacted in 2001 “walls off,” for 25 years, the actuarial gains arising from former FRS Pension Plan participants electing to participate in the FRS Investment Plan. The “walled off” amount is called the contingent liability. The Actuarial Liabilities generally do not include the contingent liability. However, surplus, if any, used for contribution rate reductions is net of the contingent liability. Table 3-3 shows the contingent liability and the number of current active participants, by class, who elected to transfer from the FRS Pension Plan to the FRS Investment Plan during the original 2002-2003 election periods available to FRS Pension Plan members who were active when the FRS Investment Plan first became available for participation.

**Table 3-1**  
**Florida Retirement System Pension Plan**  
**Actuarial Liabilities**  
 (\$ in Thousands)

	July 1, 2020 Valuation	July 1, 2021 Valuation
1. Actuarial Liabilities for:		
(a) Active Members	\$60,055,179	\$62,337,458
(b) Retired, Disabled and Beneficiary Members	116,598,497	122,991,730
(c) Terminated Vested Members	5,516,966	5,881,425
(d) DROP	<u>18,106,528</u>	<u>18,425,433</u>
2. Total Actuarial Liability	\$200,277,170	\$209,636,046
3. Actuarial Value of Assets	<u>\$164,302,519</u>	<u>\$174,898,452</u>
4. Unfunded Actuarial Liability / (Surplus)	\$35,974,651	\$34,737,594
5. Investment Plan Contingent Liability <sup>1</sup>	<u>\$218,879</u>	<u>\$212,699</u>
6. Surplus Available for Rate Reduction	\$0	\$0

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

**Table 3-2**  
**Florida Retirement System Pension Plan**  
**Actuarial Liabilities by Membership Class**  
**July 1, 2021**  
(\$ in Thousands)

	Regular	Special Risk	Special Risk Administrative	-- Elected Officers' Class --			Senior Management	DROP	Total System
			Judicial	Leg-Atty-Cab	Local				
1. Present Value of Benefits for:									
a. Active Members	\$59,651,728	\$25,461,477	\$18,721	\$584,812	\$23,640	\$188,977	\$2,260,312	\$0	\$88,189,667
b. Retired, Disabled and Beneficiary Members	91,280,912	26,153,508	72,068	1,088,462	101,251	565,814	3,729,715	18,425,433	141,417,163
c. Terminated Vested Members	4,908,265	704,790	1,567	26,709	13,341	20,224	206,529	0	5,881,425
d. Total Present Value of Benefits (a)+(b)+(c)	155,840,905	52,319,775	92,356	1,699,983	138,232	775,015	6,196,556	18,425,433	235,488,255
2. Present Value of Future Normal Cost (Actives):	\$15,254,751	\$9,871,940	\$4,155	\$176,340	\$4,970	\$43,693	\$496,360	\$0	\$25,852,209
3. Actuarial Liabilities for:									
a. Active Members (1a) - (2)	\$44,396,977	\$15,589,537	\$14,566	\$408,472	\$18,670	\$145,284	\$1,763,952	\$0	\$62,337,458
b. Retired, Disabled and Beneficiary Members (1b)	91,280,912	26,153,508	72,068	1,088,462	101,251	565,814	3,729,715	18,425,433	141,417,163
c. Terminated Vested Members (1c)	4,908,265	704,790	1,567	26,709	13,341	20,224	206,529	0	5,881,425
d. Total Actuarial Liability (a)+(b)+(c)	\$140,586,154	\$42,447,835	\$88,201	\$1,523,643	\$133,262	\$731,322	\$5,700,196	\$18,425,433	\$209,636,046
4. Actuarial Value of Assets	\$120,398,491	\$34,509,145	\$71,923	\$987,855	\$61,126	\$309,666	\$3,187,907	\$15,372,339	\$174,898,452
5. Unfunded Actuarial Liability / (Surplus)	\$20,187,663	\$7,938,690	\$16,278	\$535,788	\$72,136	\$421,656	\$2,512,289	\$3,053,094 <sup>1</sup>	\$34,737,594
6. Present Value of Future Pay	\$182,171,461	\$53,461,640	\$29,435	\$1,030,779	\$42,542	\$320,370	\$4,843,059	\$0	\$241,899,286

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

**Table 3-3**  
**Florida Retirement System Investment Plan**  
**Contingent Actuarial Liabilities**  
**July 1, 2021**  
 (\$ in Thousands)

	<u>Regular</u>	<u>Special Risk</u>	<u>Special Risk Administrative</u>	<u>-- Elected Officers' Class -- Judicial</u>	<u>Leg-Atty-Cab</u>	<u>Local</u>	<u>Senior Management</u>	<u>DROP</u>	<u>Total System</u>
<u>As of July 1, 2020</u>									
Contingent Liability	\$202,545	\$7,996	\$0	(\$703)	\$72	\$36	\$8,933	NA	\$218,879
Participant Counts	4,041	106	0	3	1	2	96	NA	4,249
<u>As of July 1, 2021</u>									
Contingent Liability <sup>1 &amp; 2</sup>	\$196,665	\$7,829	\$0	(\$752)	\$77	\$19	\$8,861	NA	\$212,699
Participant Counts	3,667	97	0	3	1	1	89	NA	3,858

<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, 2021 is calculated as the July 1, 2003 contingent liability increased by 18 years of interest, adjusted for the proportion of original transfers remaining in the Investment Plan.

## 4. Contributions

Differences between the Actuarial Liabilities and the assets can be made up through (1) future contributions in excess of the Normal Costs to amortize the shortfall and/or (2) actual future investment returns in excess of assumed returns. An actuarial valuation sets out a schedule of future contributions that will fully amortize the Unfunded Actuarial Liability (UAL) in a systematic manner if future experience follows the assumptions. By contrast, in prior years when the FRS Pension Plan had an actuarial surplus, legislated contribution rates were generally below the Normal Cost Rate. In this section we develop and present the FRS Pension Plan-specific contribution rates proposed to be effective for the Plan Year beginning July 1, 2022 based on the July 1, 2021 membership data. Under separate cover, the FRS Pension Plan-specific contribution rates calculated in this valuation are blended with contribution rates for the FRS Investment Plan to develop proposed blended statutory contribution rates for the Plan Year beginning July 1, 2022.

First, we present a description of the actuarial method used to determine the actuarially calculated FRS Pension Plan-specific contribution rates for the 2022-2023 plan year. 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 Individual Entry Age Normal (Individual EAN) actuarial cost allocation method. Under this method (as is the case for most actuarial cost allocation methods), the contribution rates calculated have two components:

- Normal Cost Rate
- UAL Contribution Rate, which amortizes the UAL if future experience follows assumptions.

These components are described in more detail below.

#### 1. Normal Cost Rate

Under the Individual EAN 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 were to exactly match the actuarial assumptions. Individual EAN sets normal cost in a manner that is representative of the tier in which the member actually participates.

We have determined the Normal Cost Rates for the FRS Pension Plan separately by membership class and type of benefit (e.g., retirement, disability). These are summarized in Table 4-1.

#### 2. UAL Contribution Rate

The Actuarial Liability is the difference between the Total Present Value of Benefits (PVB) and the Present Value of Future Normal Costs (PVFNC).

The term "fully funded" can be used for a system where contributions at the Normal Cost Rate are projected to be completely adequate to fully fund the projected future benefits of all existing members if future experience follows assumptions. Currently, most systems are not fully funded. This can be because contributions for the estimated value of benefits earned in a year have not been fully made, benefit improvements for past service are granted but then are funded gradually over future years, actual experience has not been as favorable as assumed, or assumptions have been updated which increase liability compared to assumptions used in prior valuations. Under

these circumstances, a UAL exists. For the FRS Pension Plan, there has been a UAL for every valuation since the July 1, 2009 valuation. Prior to that time, the Actuarial Value of Assets exceeded the Actuarial Liability for the valuations from 1998 through 2008 and the UAL for those valuations was considered fully amortized.

Tables 4-2 through 4-10 show how the FRS Pension Plan-specific UAL contribution rates are derived. The FRS Pension Plan-specific contribution rates calculated in this valuation are blended with contribution rates for the FRS Investment Plan to develop proposed blended statutory contribution rates for the Plan Year beginning July 1, 2022. Table 4-2 shows the calculations on a composite basis, while Tables 4-3 through 4-10 show the calculations for each individual membership class and sub-class and for the DROP.

The funding policy approved by the FRS Actuarial Assumption Conference includes UAL amortization via a set of closed, layered amortization bases. Starting in the 1998 actuarial valuation, the Legislature required all UAL bases in existence at that time to be considered fully amortized, since the Plan was in surplus position. Since then, new amortization bases were created whenever there were changes in plan provisions or changes in assumptions pursuant to an experience study or other action by the FRS Actuarial Assumption Conference to modify actuarial assumptions or methods. Since a UAL currently exists, all experience gains and losses are also subject to amortization. In this valuation, we show the amortization base of each plan/assumption/method change since 1998 and amortization bases for experience gains/losses starting in 2009, when the plan no longer had an actuarial surplus. In this July 1, 2021 valuation, the Conference approved amortization of newly established bases over a closed 20-year period. Additionally, and apart from the 2019 Method Changes established June 30, 2019, bases established before July 1, 2021 were modified to have a remaining amortization period of the lesser of their current remaining amortization period and a 20-year amortization period effective with the amortization payment for the 2022-2023 fiscal year.

For a given base of UAL amortization, annual amortization payments in non-inflation-adjusted dollars are calculated as increasing by 3.25% per year ("level percent of projected payroll amortization"), consistent with the valuation's long-term annual UAL payroll growth assumption as adopted by the FRS Actuarial Assumption Conference. If future experience follows the actuarial assumptions, this should result in amortization payments that align with the assumed growth in overall UAL payroll. Please note that with the current closed amortization period of 20 years for new and current bases, amortization payments will be large enough to cover interest on the UAL of those bases. This means that the amortization payments will be large enough that the amortization payments will cover both interest and principal, and the unamortized UAL as a dollar amount will be projected to decrease in each subsequent year. For each newly established amortization base, after approximately 7.5 years, the unamortized balance for the base will be approximately at the same level (in non-inflation-adjusted dollars) as the initial amount of the base.

The benefit changes effective in 2011 reduced the Normal Cost, PVFNC, and the PVB for current and future active members. All members initially enrolled before July 1, 2011 (Tier I) will continue to earn benefits at levels greater than those annually earned by members initially enrolled on or after July 1, 2011 (Tier II). While the base benefits are higher for Tier I members than Tier II members, the projected benefit levels for Tier I members are decreased from what they would have been before benefit changes in 2011 due to the determination of the annual COLA percentage being based on the ratio of pre-July 2011 service to total service.

As noted on the prior page, the Actuarial Liability is defined as PVB less PVFNC. In 2011, for some membership classes the decrease in the PVFNC from the 2011 benefit changes was larger than the decrease in the PVB, resulting in an increase in an Actuarial Liability. For the remaining membership classes, the decrease in the PVFNC was smaller than the decrease in the PVB, resulting in a decrease in the Actuarial Liability. The variation

is due to the different demographics, benefit multipliers and unique interrelation of the modified benefit provisions of each membership class under the actuarial cost allocation method approved for use in 2011 (Ultimate Entry Age Normal) by the FRS Actuarial Assumption Conference. The PVB will be lower in future valuations than it would have been had the 2011 benefit changes not been adopted.

Effective July 1, 2019, the FRS Actuarial Assumption Conference adopted the use of Individual Entry Age Normal (Individual EAN) for system funding calculations. The change in the actuarial cost allocation method increased the cost allocation of projected benefits to future service (via a higher normal cost rate than the prior method) and decreased the allocation of projected benefits to past service, meaning decreased actuarial accrued liability and UAL when compared to the prior method. The decrease in UAL arising from the cost method change is amortized separately from other UAL change amortization bases. The increase in Normal Cost and the decrease in UAL due to the actuarial cost allocation method change is specific to active Tier I Pension Plan members. There is no change, however, in the projected benefits for Tier I active members. Given this financial dynamic, the decrease in the UAL due to the July 1, 2019 actuarial valuation's cost allocation method change was amortized over a closed 30-year period in a manner that mirrors the projected payroll of the closed Tier I population in the FRS Pension Plan. This method was discussed and illustrated in Milliman's October 23, 2019 and October 28, 2019 presentation materials to the 2019 FRS Actuarial Assumption Conference.

#### **B. FRS Pension Plan-Specific Employer Contribution Rates**

Table 4-11 presents the actuarially calculated 2022-2023 employer contribution rates for the FRS Pension Plan prior to blending with FRS Investment Plan contribution rates to create 2022-2023 blended proposed statutory rates.

The reader should note that the payroll base for UAL Cost contributions is larger than the payroll base for Normal Cost contributions. Florida Statute requires the employers of certain defined contribution program participants and reemployed retirees who are not eligible for renewed membership to make UAL Cost contributions based on their payroll. The payroll base for UAL Cost contributions includes approximately \$3.7 billion of payroll for employees who are not currently participating in the FRS Pension Plan or the FRS Investment Plan. Thus, the total contribution rate shown is an arithmetic sum, but the actual contribution percentages will be determined on a blended rate basis so that employers pay the same contribution rate for FRS Pension Plan members and FRS Investment Plan members in the same membership class or subclass.

Table 4-12 compares the legislated FRS Pension Plan-specific employer contribution rates to those calculated in the actuarial valuations for the prior plan years. The legislated rates for the 2013-2014 through 2019-2020 plan years were the same as the actuarially calculated rates in the July 1, 2012 through July 1, 2018 actuarial valuations, respectively, as subsequently modified to reflect enacted legislation when necessary.



**Table 4-1**  
**Florida Retirement System Pension Plan**  
**Normal Cost Rates by Decrement**  
**July 1, 2021**

	Special Risk		----- Elected Officers' Class -----				Senior	DROP	Total
	Regular	Special Risk	Special Risk Administrative	Judicial	Leg-Atty-Cab	Local	Management		
1. Vested Benefits and Early Retirement	1.33%	2.01%	2.86%	1.29%	4.50%	3.11%	1.88%	NA	1.48%
2. Regular Retirement	6.90%	16.14%	11.40%	15.27%	6.92%	10.16%	8.16%	NA	8.66%
3. Non-Duty Death	0.17%	0.27%	0.24%	0.60%	0.32%	0.41%	0.24%	NA	0.19%
4. Line of Duty Death	0.01%	0.37%	0.01%	0.03%	0.02%	0.03%	0.02%	NA	0.08%
5. Non-Duty Disability	0.13%	0.18%	0.16%	0.27%	0.16%	0.16%	0.15%	NA	0.14%
6. Line of Duty Disability	0.01%	0.23%	0.01%	0.01%	0.01%	0.01%	0.01%	NA	0.05%
7. Refund of Employee Contributions	<u>0.18%</u>	<u>0.12%</u>	<u>0.02%</u>	<u>0.01%</u>	<u>0.07%</u>	<u>0.10%</u>	<u>0.13%</u>	<u>NA</u>	<u>0.17%</u>
8. Total Normal Cost Rate	8.73%	19.32%	14.70%	17.48%	12.00%	13.98%	10.59%	NA	10.77%
9. Expected Employee Contributions	<u>-3.00%</u>	<u>-3.00%</u>	<u>-3.00%</u>	<u>-3.00%</u>	<u>-3.00%</u>	<u>-3.00%</u>	<u>-3.00%</u>	<u>NA</u>	<u>-3.00%</u>
10. Employer Normal Cost Rate	5.73%	16.32%	11.70%	14.48%	9.00%	10.98%	7.59%	7.77% <sup>1</sup>	7.77%

<sup>1</sup> DROP Normal Cost Rate is set equivalent to the Pension Plan composite Normal Cost rate.

**Table 4-2**  
**Florida Retirement System Pension Plan**  
**Unfunded Actuarial Liability (UAL) Bases**  
**July 1, 2021**  
**Composite Plan**  
**(\$ in Thousands)**

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor <sup>1</sup>	Amortization Payment for FY 2021-2022	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor <sup>1</sup>	Amortization Payment for FY 2022-2023
June 30, 1999	Assumption Change from 1998 Experience Study	9	(\$312,524)	7.5756	(\$41,254)	8	(\$291,142)	6.8980	(\$42,207)
June 30, 2000	Special Risk 65% In-Line-Of-Duty Disability (2000)	10	(2,117)	8.2768	(256)	9	(1,996)	7.6363	(261)
June 30, 2000	Special Risk-Regular 12% Pre-2000 Retired Benefit Increase (2000)	10	269,607	8.2768	32,574	9	254,277	7.6363	33,298
June 30, 2004	Assumption Change from 2003 Experience Study	14	(3,297,447)	10.8445	(304,067)	13	(3,207,438)	14.3052	(309,827)
June 30, 2009	Assumption Change from 2008 Experience Study	19	6,938,116	13.5793	510,933	18	6,881,889	13.2695	518,624
June 30, 2009	2008-2009 Experience (Gains) / Losses	19	21,772,753	13.5793	1,603,376	18	21,596,306	13.2695	1,627,511
June 30, 2009	Unrecognized (Gains)/Losses while in Surplus	19	(6,368,723)	13.5793	(469,002)	18	(6,317,110)	13.2695	(476,061)
June 30, 2009	2009-2010 Plan Changes (HB 479)	19	(1,316,623)	13.5793	(96,958)	18	(1,305,953)	13.2695	(98,417)
June 30, 2010	2009-2010 Experience (Gains) / Losses	20	1,189,057	14.0701	84,509	19	1,182,577	13.7961	85,718
June 30, 2010	2010-2011 Plan Changes (SB 2100)	20	(1,302,443)	14.0701	(92,568)	19	(1,295,345)	13.7961	(93,892)
June 30, 2011	2010-2011 Experience (Gains) / Losses	21	2,912,975	14.5438	200,290	20	2,904,070	14.3052	203,009
June 30, 2012	2011-2012 Experience (Gains) / Losses	22	(117,675)	15.0008	(7,845)	20	(117,570)	14.3052	(8,219)
June 30, 2013	2012-2013 Experience (Gains) / Losses	23	2,975,023	15.4418	192,660	20	2,978,221	14.3052	208,192
June 30, 2014	Assumption/Method Change from 2013 Experience Study	24	2,140,943	15.8674	134,928	20	2,147,087	14.3052	150,092
June 30, 2014	2013-2014 Experience (Gains) / Losses	24	(2,903,634)	15.8674	(182,994)	20	(2,911,967)	14.3052	(203,561)
June 30, 2015	2014-2015 Experience (Gains) / Losses	25	594,981	16.2780	36,551	20	597,666	14.3052	41,780
June 30, 2016	Special Risk 100% In-Line-Of-Duty Death (2016)	26	45,370	16.6742	2,721	20	45,643	14.3052	3,191
June 30, 2016	2016 Assumption Changes	26	1,202,219	16.6742	72,100	20	1,209,458	14.3052	84,547
June 30, 2016	2015-2016 Experience (Gains) / Losses	26	1,323,958	16.6742	79,401	20	1,331,930	14.3052	93,108
June 30, 2017	Special Risk 100% In-Line-Of-Duty Death (2017)	27	94,508	17.0566	5,541	20	95,208	14.3052	6,656
June 30, 2017	2017 Assumption Changes	27	2,361,173	17.0566	138,432	20	2,378,671	14.3052	166,281
June 30, 2017	2016-2017 Experience (Gains) / Losses	27	521,030	17.0566	30,547	20	524,891	14.3052	36,692
June 30, 2018	2018 Assumption Changes	28	2,414,976	17.4256	138,588	20	2,435,972	14.3052	170,286
June 30, 2018	2017-2018 Experience (Gains) / Losses	28	(810,906)	17.4256	(46,535)	20	(817,956)	14.3052	(57,179)
June 30, 2019	Special Risk Cancer Presumption Disability and Death (2019)	29	11,773	17.7816	662	20	11,889	14.3052	831
June 30, 2019	2019 Assumption Changes	29	4,341,716	17.7816	244,169	20	4,384,618	14.3052	306,506
June 30, 2019	2019 Method Changes	n/a <sup>2</sup>	(3,517,202)	8.9173	(394,423)	n/a <sup>2</sup>	(3,348,759)	8.8010	(380,499)
June 30, 2019	2018-2019 Experience (Gains) / Losses	29	(433,546)	17.7816	(24,382)	20	(437,830)	14.3052	(30,606)
June 30, 2020	2020 Assumption Changes	25	4,168,625	16.2780	256,090	20	4,187,438	14.3052	292,722
June 30, 2020	2019-2020 Experience (Gains) / Losses	25	1,725,337	16.2780	105,992	20	1,733,123	14.3052	121,154
June 30, 2021	2021 Assumption Changes		4,699,503			20	5,019,069	14.3052	350,857
June 30, 2021	2020-2021 Experience (Gains) / Losses		<u>(6,583,207)</u> <sup>3</sup>			20	<u>(7,030,865)</u>	14.3052	<u>(491,492)</u>
		<b>UAL as of Valuation Date</b>	<b>\$34,737,594</b>				<b>\$34,816,071</b>	Total:	<b>\$2,308,833</b>
								Projected FY 2022-2023 UAL Payroll Excluding FRS Investment Plan Payroll:	<b>\$31,499,938</b>
								<b>FY 2022-2023 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:</b>	<b>7.33%</b>

<sup>1</sup> The 2021-2022 amortization factors are based on the assumptions used in the July 1, 2020 actuarial valuation, which determined actuarially calculated contribution rates for 2021-2022.

The 2022-2023 amortization factors are based on the assumptions used in this July 1, 2021 actuarial valuation, which determines actuarially calculated contribution rates for 2022-2023.

<sup>2</sup> Unlike all other bases, which are amortized as a level percentage of UAL payroll over a specified period, this credit base is amortized over a closed period in a manner that mirrors the projected payroll for the closed Tier 1 population of the FRS Pension Plan. Please see page A-2 for further explanation and page A-3 for amortization schedule. That schedule amortizes a greater percentage of the remaining balance in each plan year illustrated than would a 20-year level percentage of pay amortization factor.

<sup>3</sup> The experience (gains)/losses developed on this table and the subsequent tables in this section are derived using a methodology which assumes 2020-2021 UAL contributions precisely equal the scheduled UAL amortization payments.

Actual System contributions differ somewhat from the amortization schedules in this section, and there is no clear delineation in actual contributions received between Normal Cost and UAL contributions. The UAL (gain)/loss shown in the Executive Summary is derived using a methodology which incorporates actual 2020-2021 contributions.

**Table 4-3**  
**Florida Retirement System Pension Plan**  
**Unfunded Actuarial Liability (UAL) Bases**  
**July 1, 2021**  
**Regular Class**  
**(\$ in Thousands)**

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2021-2022	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2022-2023
June 30, 1999	Assumption Change from 1998 Experience Study	9	(\$238,080)	7.5756	(\$31,427)	8	(\$221,791)	6.8980	(\$32,153)
June 30, 2004	Assumption Change from 2003 Experience Study	14	(2,913,124)	10.8445	(268,627)	13	(2,833,606)	10.3524	(273,716)
June 30, 2009	Assumption Change from 2008 Experience Study	19	5,643,763	13.5793	415,615	18	5,598,025	13.2695	421,871
June 30, 2009	2008-2009 Experience (Gains) / Losses	19	34,670,504	13.5793	2,553,185	18	34,389,532	13.2695	2,591,617
June 30, 2009	Unrecognized (Gains)/Losses while in Surplus	19	(27,195,866)	13.5793	(2,002,742)	18	(26,975,469)	13.2695	(2,032,888)
June 30, 2009	2009-2010 Plan Changes (HB 479)	19	(1,035,081)	13.5793	(76,225)	18	(1,026,693)	13.2695	(77,372)
June 30, 2010	2009-2010 Experience (Gains) / Losses	20	1,325,501	14.0701	94,207	19	1,318,278	13.7961	95,554
June 30, 2010	2010-2011 Plan Changes (SB 2100)	20	(1,682,678)	14.0701	(119,592)	19	(1,673,509)	13.7961	(121,303)
June 30, 2011	2010-2011 Experience (Gains) / Losses	21	1,440,943	14.5438	99,076	20	1,436,538	14.3052	100,421
June 30, 2012	2011-2012 Experience (Gains) / Losses	22	522,103	15.0008	34,805	20	521,637	14.3052	36,465
June 30, 2013	2012-2013 Experience (Gains) / Losses	23	1,807,193	15.4418	117,033	20	1,809,136	14.3052	126,467
June 30, 2014	Assumption/Method Change from 2013 Experience Study	24	626,847	15.8674	39,505	20	628,646	14.3052	43,945
June 30, 2014	2013-2014 Experience (Gains) / Losses	24	(1,315,446)	15.8674	(82,903)	20	(1,319,221)	14.3052	(92,220)
June 30, 2015	2014-2015 Experience (Gains) / Losses	25	786,575	16.2780	48,321	20	790,125	14.3052	55,234
June 30, 2016	2016 Assumption Changes	26	814,783	16.6742	48,865	20	819,689	14.3052	57,300
June 30, 2016	2015-2016 Experience (Gains) / Losses	26	1,362,047	16.6742	81,686	20	1,370,249	14.3052	95,787
June 30, 2017	2017 Assumption Changes	27	1,584,159	17.0566	92,877	20	1,595,900	14.3052	111,561
June 30, 2017	2016-2017 Experience (Gains) / Losses	27	(325,991)	17.0566	(19,112)	20	(328,407)	14.3052	(22,957)
June 30, 2018	2018 Assumption Changes	28	1,602,276	17.4256	91,950	20	1,616,206	14.3052	112,981
June 30, 2018	2017-2018 Experience (Gains) / Losses	28	(1,161,492)	17.4256	(66,655)	20	(1,171,590)	14.3052	(81,900)
June 30, 2019	2019 Assumption Changes	29	4,207,514	17.7816	236,622	20	4,249,090	14.3052	297,032
June 30, 2019	2019 Method Changes	n/a	(1,962,853)	8.9173	(220,116)	n/a	(1,868,850)	8.8010	(212,346)
June 30, 2019	2018-2019 Experience (Gains) / Losses	29	(599,430)	17.7816	(33,711)	20	(605,354)	14.3052	(42,317)
June 30, 2020	2020 Assumption Changes	25	2,738,674	16.2780	168,244	20	2,751,033	14.3052	192,311
June 30, 2020	2019-2020 Experience (Gains) / Losses	25	1,208,138	16.2780	74,219	20	1,213,591	14.3052	84,836
June 30, 2021	2021 Assumption Changes		3,112,731			20	3,324,397	14.3052	232,391
June 30, 2021	2020-2021 Experience (Gains) / Losses		<u>(4,836,047)</u>			20	<u>(5,164,898)</u>	14.3052	<u>(361,051)</u>
		<b>UAL as of Valuation Date</b>	<b>\$20,187,663</b>				<b>\$20,242,685</b>	<b>Total:</b>	<b>\$1,305,549</b>
						Projected FY 2022-2023 UAL Payroll Excluding FRS Investment Plan Payroll:			\$23,632,063
						FY 2022-2023 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:			5.52%

**Table 4-4**  
**Florida Retirement System Pension Plan**  
**Unfunded Actuarial Liability (UAL) Bases**  
**July 1, 2021**  
**Special Risk Class**  
 (\$ in Thousands)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2021-2022	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2022-2023
June 30, 1999	Assumption Change from 1998 Experience Study	9	(\$72,080)	7.5756	(\$9,515)	8	(\$67,149)	6.8980	(\$9,735)
June 30, 2000	Special Risk 65% In-Line-Of-Duty Disability (2000)	10	(2,159)	8.2768	(261)	9	(2,036)	7.6363	(267)
June 30, 2000	Special Risk-Regular 12% Pre-2000 Retired Benefit Increase (2000)	10	269,607	8.2768	32,574	9	254,277	7.6363	33,298
June 30, 2004	Assumption Change from 2003 Experience Study	14	(595,125)	10.8445	(54,878)	13	(578,880)	10.3524	(55,918)
June 30, 2009	Assumption Change from 2008 Experience Study	19	554,338	13.5793	40,822	18	549,845	13.2695	41,437
June 30, 2009	2008-2009 Experience (Gains) / Losses	19	7,638,636	13.5793	562,520	18	7,576,732	13.2695	570,987
June 30, 2009	Unrecognized (Gains)/Losses while in Surplus	19	(2,534,706)	13.5793	(186,659)	18	(2,514,164)	13.2695	(189,469)
June 30, 2009	2009-2010 Plan Changes (HB 479)	19	(193,327)	13.5793	(14,237)	18	(191,760)	13.2695	(14,451)
June 30, 2010	2009-2010 Experience (Gains) / Losses	20	(421,124)	14.0701	(29,930)	19	(418,829)	13.7961	(30,359)
June 30, 2010	2010-2011 Plan Changes (SB 2100)	20	470,574	14.0701	33,445	19	468,009	13.7961	33,923
June 30, 2011	2010-2011 Experience (Gains) / Losses	21	268,536	14.5438	18,464	20	267,715	14.3052	18,715
June 30, 2012	2011-2012 Experience (Gains) / Losses	22	(582,211)	15.0008	(38,812)	20	(581,691)	14.3052	(40,663)
June 30, 2013	2012-2013 Experience (Gains) / Losses	23	517,249	15.4418	33,497	20	517,805	14.3052	36,197
June 30, 2014	Assumption/Method Change from 2013 Experience Study	24	1,413,017	15.8674	89,052	20	1,417,072	14.3052	99,060
June 30, 2014	2013-2014 Experience (Gains) / Losses	24	(921,342)	15.8674	(58,065)	20	(923,987)	14.3052	(64,591)
June 30, 2015	2014-2015 Experience (Gains) / Losses	25	(18,150)	16.2780	(1,115)	20	(18,232)	14.3052	(1,275)
June 30, 2016	Special Risk 100% In-Line-Of-Duty Death (2016)	26	45,370	16.6742	2,721	20	45,643	14.3052	3,191
June 30, 2016	2016 Assumption Changes	26	259,330	16.6742	15,553	20	260,892	14.3052	18,238
June 30, 2016	2015-2016 Experience (Gains) / Losses	26	226,950	16.6742	13,611	20	228,317	14.3052	15,960
June 30, 2017	Special Risk 100% In-Line-Of-Duty Death (2017)	27	94,508	17.0566	5,541	20	95,208	14.3052	6,656
June 30, 2017	2017 Assumption Changes	27	515,014	17.0566	30,194	20	518,831	14.3052	36,269
June 30, 2017	2016-2017 Experience (Gains) / Losses	27	513,852	17.0566	30,126	20	517,661	14.3052	36,187
June 30, 2018	2018 Assumption Changes	28	539,428	17.4256	30,956	20	544,118	14.3052	38,036
June 30, 2018	2017-2018 Experience (Gains) / Losses	28	207,604	17.4256	11,914	20	209,409	14.3052	14,639
June 30, 2019	Special Risk Cancer Presumption Disability and Death (2019)	29	11,773	17.7816	662	20	11,889	14.3052	831
June 30, 2019	2019 Assumption Changes	29	(26,667)	17.7816	(1,500)	20	(26,931)	14.3052	(1,883)
June 30, 2019	2019 Method Changes	n/a	(1,450,305)	8.9173	(162,639)	n/a	(1,380,848)	8.8010	(156,898)
June 30, 2019	2018-2019 Experience (Gains) / Losses	29	127,176	17.7816	7,152	20	128,433	14.3052	8,978
June 30, 2020	2020 Assumption Changes	25	885,872	16.2780	54,421	20	889,870	14.3052	62,206
June 30, 2020	2019-2020 Experience (Gains) / Losses	25	247,277	16.2780	15,191	20	248,393	14.3052	17,364
June 30, 2021	2021 Assumption Changes		1,038,600			20	1,109,225	14.3052	77,540
June 30, 2021	2020-2021 Experience (Gains) / Losses		<u>(1,088,825)</u>			20	<u>(1,162,865)</u>	14.3052	<u>(81,290)</u>
<b>UAL as of Valuation Date</b>			<b>\$7,938,690</b>			<b>\$470,805</b>	<b>\$7,991,972</b>		<b>Total: \$522,916</b>
									<b>Projected FY 2022-2023 UAL Payroll Excluding FRS Investment Plan Payroll: \$4,683,880</b>
									<b>FY 2022-2023 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll: 11.16%</b>

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**Table 4-5**  
**Florida Retirement System Pension Plan**  
**Unfunded Actuarial Liability (UAL) Bases**  
**July 1, 2021**  
**Special Risk Administrative Support Class**  
 (\$ in Thousands)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2021-2022	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2022-2023
June 30, 1999	Assumption Change from 1998 Experience Study	9	(\$259)	7.5756	(\$34)	8	(\$241)	6.8980	(\$35)
June 30, 2000	Special Risk 65% In-Line-Of-Duty Disability (2000)	10	43	8.2768	5	9	40	7.6363	5
June 30, 2004	Assumption Change from 2003 Experience Study	14	9,935	10.8445	916	13	9,664	10.3524	934
June 30, 2009	Assumption Change from 2008 Experience Study	19	1,333	13.5793	98	18	1,323	13.2695	100
June 30, 2009	2008-2009 Experience (Gains) / Losses	19	20,045	13.5793	1,476	18	19,883	13.2695	1,498
June 30, 2009	Unrecognized (Gains)/Losses while in Surplus	19	(22,246)	13.5793	(1,638)	18	(22,065)	13.2695	(1,663)
June 30, 2009	2009-2010 Plan Changes (HB 479)	19	0	13.5793	0	18	0	13.2695	0
June 30, 2010	2009-2010 Experience (Gains) / Losses	20	1,212	14.0701	86	19	1,205	13.7961	87
June 30, 2010	2010-2011 Plan Changes (SB 2100)	20	(553)	14.0701	(39)	19	(550)	13.7961	(40)
June 30, 2011	2010-2011 Experience (Gains) / Losses	21	2,936	14.5438	202	20	2,927	14.3052	205
June 30, 2012	2011-2012 Experience (Gains) / Losses	22	613	15.0008	41	20	612	14.3052	43
June 30, 2013	2012-2013 Experience (Gains) / Losses	23	2,945	15.4418	191	20	2,948	14.3052	206
June 30, 2014	Assumption/Method Change from 2013 Experience Study	24	(6,103)	15.8674	(385)	20	(6,120)	14.3052	(428)
June 30, 2014	2013-2014 Experience (Gains) / Losses	24	6,914	15.8674	436	20	6,934	14.3052	485
June 30, 2015	2014-2015 Experience (Gains) / Losses	25	(6,091)	16.2780	(374)	20	(6,118)	14.3052	(428)
June 30, 2016	2016 Assumption Changes	26	512	16.6742	31	20	515	14.3052	36
June 30, 2016	2015-2016 Experience (Gains) / Losses	26	2,038	16.6742	122	20	2,050	14.3052	143
June 30, 2017	2017 Assumption Changes	27	992	17.0566	58	20	999	14.3052	70
June 30, 2017	2016-2017 Experience (Gains) / Losses	27	2,497	17.0566	146	20	2,516	14.3052	176
June 30, 2018	2018 Assumption Changes	28	1,010	17.4256	58	20	1,018	14.3052	71
June 30, 2018	2017-2018 Experience (Gains) / Losses	28	691	17.4256	40	20	697	14.3052	49
June 30, 2019	2019 Assumption Changes	29	(2,861)	17.7816	(161)	20	(2,889)	14.3052	(202)
June 30, 2019	2019 Method Changes	n/a	(1,920)	8.9173	(215)	n/a	(1,828)	8.8010	(208)
June 30, 2019	2018-2019 Experience (Gains) / Losses	29	2,127	17.7816	120	20	2,148	14.3052	150
June 30, 2020	2020 Assumption Changes	25	1,639	16.2780	101	20	1,647	14.3052	115
June 30, 2020	2019-2020 Experience (Gains) / Losses	25	1,048	16.2780	64	20	1,053	14.3052	74
June 30, 2021	2021 Assumption Changes		1,608			20	1,717	14.3052	120
June 30, 2021	2020-2021 Experience (Gains) / Losses		<u>(3,828)</u>			20	<u>(4,089)</u>	14.3052	<u>(286)</u>
		<b>UAL as of Valuation Date</b>	<b>\$16,278</b>		<b>\$1,344</b>		<b>\$15,996</b>	Total:	<b>\$1,278</b>
								Projected FY 2022-2023 UAL Payroll Excluding FRS Investment Plan Payroll:	<b>\$3,485</b>
								<b>FY 2022-2023 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:</b>	<b>36.66%</b>

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**Table 4-6**  
**Florida Retirement System Pension Plan**  
**Unfunded Actuarial Liability (UAL) Bases**  
**July 1, 2021**  
**Elected Officers' Class: Judicial Subclass**  
 (\$ in Thousands)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2021-2022	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2022-2023
June 30, 1999	Assumption Change from 1998 Experience Study	9	\$33	7.5756	\$4	8	\$31	6.8980	\$5
June 30, 2004	Assumption Change from 2003 Experience Study	14	26,253	10.8445	2,421	13	25,536	10.3524	2,467
June 30, 2009	Assumption Change from 2008 Experience Study	19	20,375	13.5793	1,500	18	20,209	13.2695	1,523
June 30, 2009	2008-2009 Experience (Gains) / Losses	19	515,422	13.5793	37,956	18	511,245	13.2695	38,528
June 30, 2009	Unrecognized (Gains)/Losses while in Surplus	19	(279,597)	13.5793	(20,590)	18	(277,331)	13.2695	(20,900)
June 30, 2009	2009-2010 Plan Changes (HB 479)	19	(25,750)	13.5793	(1,896)	18	(25,541)	13.2695	(1,925)
June 30, 2010	2009-2010 Experience (Gains) / Losses	20	(22,615)	14.0701	(1,607)	19	(22,492)	13.7961	(1,630)
June 30, 2010	2010-2011 Plan Changes (SB 2100)	20	3,251	14.0701	231	19	3,233	13.7961	234
June 30, 2011	2010-2011 Experience (Gains) / Losses	21	86,794	14.5438	5,968	20	86,529	14.3052	6,049
June 30, 2012	2011-2012 Experience (Gains) / Losses	22	6,848	15.0008	456	20	6,842	14.3052	478
June 30, 2013	2012-2013 Experience (Gains) / Losses	23	111,890	15.4418	7,246	20	112,010	14.3052	7,830
June 30, 2014	Assumption/Method Change from 2013 Experience Study	24	25,662	15.8674	1,617	20	25,735	14.3052	1,799
June 30, 2014	2013-2014 Experience (Gains) / Losses	24	(56,745)	15.8674	(3,576)	20	(56,908)	14.3052	(3,978)
June 30, 2015	2014-2015 Experience (Gains) / Losses	25	5,688	16.2780	349	20	5,714	14.3052	399
June 30, 2016	2016 Assumption Changes	26	7,585	16.6742	455	20	7,630	14.3052	533
June 30, 2016	2015-2016 Experience (Gains) / Losses	26	37,115	16.6742	2,226	20	37,338	14.3052	2,610
June 30, 2017	2017 Assumption Changes	27	14,680	17.0566	861	20	14,789	14.3052	1,034
June 30, 2017	2016-2017 Experience (Gains) / Losses	27	(2,694)	17.0566	(158)	20	(2,714)	14.3052	(190)
June 30, 2018	2018 Assumption Changes	28	15,455	17.4256	887	20	15,590	14.3052	1,090
June 30, 2018	2017-2018 Experience (Gains) / Losses	28	37,758	17.4256	2,167	20	38,086	14.3052	2,662
June 30, 2019	2019 Assumption Changes	29	(46,718)	17.7816	(2,627)	20	(47,179)	14.3052	(3,298)
June 30, 2019	2019 Method Changes	n/a	(23,851)	8.9173	(2,675)	n/a	(22,709)	8.8010	(2,580)
June 30, 2019	2018-2019 Experience (Gains) / Losses	29	32,528	17.7816	1,829	20	32,850	14.3052	2,296
June 30, 2020	2020 Assumption Changes	25	26,686	16.2780	1,639	20	26,806	14.3052	1,874
June 30, 2020	2019-2020 Experience (Gains) / Losses	25	(9,790)	16.2780	(601)	20	(9,834)	14.3052	(687)
June 30, 2021	2021 Assumption Changes		29,331			20	31,326	14.3052	2,190
June 30, 2021	2020-2021 Experience (Gains) / Losses		<u>196</u>			20	<u>209</u>	14.3052	<u>15</u>
		<b>UAL as of Valuation Date</b>	<b>\$535,788</b>		<b>\$34,083</b>		<b>\$536,999</b>	Total:	<b>\$38,427</b>
								Projected FY 2022-2023 UAL Payroll Excluding FRS Investment Plan Payroll:	<b>\$115,595</b>
								<b>FY 2022-2023 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:</b>	<b>33.24%</b>

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**Table 4-7**  
**Florida Retirement System Pension Plan**  
**Unfunded Actuarial Liability (UAL) Bases**  
**July 1, 2021**  
**Elected Officers' Class: Legislature/Attorney/Cabinet Subclass**  
 (\$ in Thousands)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2021-2022	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2022-2023
June 30, 1999	Assumption Change from 1998 Experience Study	9	\$2	7.5756	\$0	8	\$2	6.8980	\$0
June 30, 2004	Assumption Change from 2003 Experience Study	14	1,977	10.8445	182	13	1,923	10.3524	186
June 30, 2009	Assumption Change from 2008 Experience Study	19	2,045	13.5793	151	18	2,028	13.2695	153
June 30, 2009	2008-2009 Experience (Gains) / Losses	19	62,629	13.5793	4,612	18	62,121	13.2695	4,681
June 30, 2009	Unrecognized (Gains)/Losses while in Surplus	19	(35,817)	13.5793	(2,638)	18	(35,527)	13.2695	(2,677)
June 30, 2009	2009-2010 Plan Changes (HB 479)	19	(813)	13.5793	(60)	18	(806)	13.2695	(61)
June 30, 2010	2009-2010 Experience (Gains) / Losses	20	2,944	14.0701	209	19	2,928	13.7961	212
June 30, 2010	2010-2011 Plan Changes (SB 2100)	20	134	14.0701	10	19	133	13.7961	10
June 30, 2011	2010-2011 Experience (Gains) / Losses	21	8,749	14.5438	602	20	8,722	14.3052	610
June 30, 2012	2011-2012 Experience (Gains) / Losses	22	(4,129)	15.0008	(275)	20	(4,126)	14.3052	(288)
June 30, 2013	2012-2013 Experience (Gains) / Losses	23	19,861	15.4418	1,286	20	19,883	14.3052	1,390
June 30, 2014	Assumption/Method Change from 2013 Experience Study	24	(3,079)	15.8674	(194)	20	(3,088)	14.3052	(216)
June 30, 2014	2013-2014 Experience (Gains) / Losses	24	(949)	15.8674	(60)	20	(952)	14.3052	(67)
June 30, 2015	2014-2015 Experience (Gains) / Losses	25	(7,555)	16.2780	(464)	20	(7,589)	14.3052	(531)
June 30, 2016	2016 Assumption Changes	26	639	16.6742	38	20	642	14.3052	45
June 30, 2016	2015-2016 Experience (Gains) / Losses	26	10,758	16.6742	645	20	10,823	14.3052	757
June 30, 2017	2017 Assumption Changes	27	1,292	17.0566	76	20	1,302	14.3052	91
June 30, 2017	2016-2017 Experience (Gains) / Losses	27	4,141	17.0566	243	20	4,171	14.3052	292
June 30, 2018	2018 Assumption Changes	28	1,334	17.4256	77	20	1,345	14.3052	94
June 30, 2018	2017-2018 Experience (Gains) / Losses	28	2,796	17.4256	160	20	2,820	14.3052	197
June 30, 2019	2019 Assumption Changes	29	(2,799)	17.7816	(157)	20	(2,827)	14.3052	(198)
June 30, 2019	2019 Method Changes	n/a	(776)	8.9173	(87)	n/a	(738)	8.8010	(84)
June 30, 2019	2018-2019 Experience (Gains) / Losses	29	1,037	17.7816	58	20	1,048	14.3052	73
June 30, 2020	2020 Assumption Changes	25	2,479	16.2780	152	20	2,490	14.3052	174
June 30, 2020	2019-2020 Experience (Gains) / Losses	25	4,078	16.2780	251	20	4,096	14.3052	286
June 30, 2021	2021 Assumption Changes		2,451			20	2,618	14.3052	183
June 30, 2021	2020-2021 Experience (Gains) / Losses		(1,291)			20	(1,379)	14.3052	(96)
	<b>UAL as of Valuation Date</b>		<b>\$72,136</b>		<b>\$4,817</b>		<b>\$72,064</b>	<b>Total:</b>	<b>\$5,216</b>
								Projected FY 2022-2023 UAL Payroll Excluding FRS Investment Plan Payroll:	\$6,489
								<b>FY 2022-2023 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:</b>	<b>80.39%</b>

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**Table 4-8**  
**Florida Retirement System Pension Plan**  
**Unfunded Actuarial Liability (UAL) Bases**  
**July 1, 2021**  
**Elected Officers' Class: Local Subclass**  
 (\$ in Thousands)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2021-2022	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2022-2023
June 30, 1999	Assumption Change from 1998 Experience Study	9	\$4	7.5756	\$1	8	\$4	6.8980	\$1
June 30, 2004	Assumption Change from 2003 Experience Study	14	33,229	10.8445	3,064	13	32,322	10.3524	3,122
June 30, 2009	Assumption Change from 2008 Experience Study	19	11,888	13.5793	875	18	11,792	13.2695	889
June 30, 2009	2008-2009 Experience (Gains) / Losses	19	244,019	13.5793	17,970	18	242,041	13.2695	18,240
June 30, 2009	Unrecognized (Gains)/Losses while in Surplus	19	(60,418)	13.5793	(4,449)	18	(59,928)	13.2695	(4,516)
June 30, 2009	2009-2010 Plan Changes (HB 479)	19	(7,376)	13.5793	(543)	18	(7,316)	13.2695	(551)
June 30, 2010	2009-2010 Experience (Gains) / Losses	20	2,155	14.0701	153	19	2,143	13.7961	155
June 30, 2010	2010-2011 Plan Changes (SB 2100)	20	308	14.0701	22	19	306	13.7961	22
June 30, 2011	2010-2011 Experience (Gains) / Losses	21	14,456	14.5438	994	20	14,411	14.3052	1,007
June 30, 2012	2011-2012 Experience (Gains) / Losses	22	(5,935)	15.0008	(396)	20	(5,930)	14.3052	(415)
June 30, 2013	2012-2013 Experience (Gains) / Losses	23	114,698	15.4418	7,428	20	114,821	14.3052	8,027
June 30, 2014	Assumption/Method Change from 2013 Experience Study	24	(24,481)	15.8674	(1,543)	20	(24,551)	14.3052	(1,716)
June 30, 2014	2013-2014 Experience (Gains) / Losses	24	(10,877)	15.8674	(685)	20	(10,908)	14.3052	(763)
June 30, 2015	2014-2015 Experience (Gains) / Losses	25	(10,863)	16.2780	(667)	20	(10,912)	14.3052	(763)
June 30, 2016	2016 Assumption Changes	26	3,408	16.6742	204	20	3,428	14.3052	240
June 30, 2016	2015-2016 Experience (Gains) / Losses	26	22,474	16.6742	1,348	20	22,609	14.3052	1,580
June 30, 2017	2017 Assumption Changes	27	7,134	17.0566	418	20	7,187	14.3052	502
June 30, 2017	2016-2017 Experience (Gains) / Losses	27	40,367	17.0566	2,367	20	40,666	14.3052	2,843
June 30, 2018	2018 Assumption Changes	28	7,268	17.4256	417	20	7,331	14.3052	512
June 30, 2018	2017-2018 Experience (Gains) / Losses	28	11,129	17.4256	639	20	11,226	14.3052	785
June 30, 2019	2019 Assumption Changes	29	(8,922)	17.7816	(502)	20	(9,010)	14.3052	(630)
June 30, 2019	2019 Method Changes	n/a	(5,637)	8.9173	(632)	n/a	(5,367)	8.8010	(610)
June 30, 2019	2018-2019 Experience (Gains) / Losses	29	(2,118)	17.7816	(119)	20	(2,139)	14.3052	(149)
June 30, 2020	2020 Assumption Changes	25	12,287	16.2780	755	20	12,342	14.3052	863
June 30, 2020	2019-2020 Experience (Gains) / Losses	25	3,634	16.2780	223	20	3,651	14.3052	255
June 30, 2021	2021 Assumption Changes		13,550			20	14,471	14.3052	1,012
June 30, 2021	2020-2021 Experience (Gains) / Losses		<u>16,275</u>			20	<u>17,382</u>	14.3052	<u>1,215</u>
	<b>UAL as of Valuation Date</b>		<b>\$421,656</b>		<b>\$27,341</b>		<b>\$422,073</b>	<b>Total:</b>	<b>\$31,158</b>
								Projected FY 2022-2023 UAL Payroll Excluding FRS Investment Plan Payroll:	\$49,133
								<b>FY 2022-2023 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:</b>	<b>63.41%</b>

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**Table 4-9**  
**Florida Retirement System Pension Plan**  
**Unfunded Actuarial Liability (UAL) Bases**  
**July 1, 2021**  
**Senior Management Service Class**  
 (\$ in Thousands)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2021-2022	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2022-2023
June 30, 1999	Assumption Change from 1998 Experience Study	9	(\$2,145)	7.5756	(\$283)	8	(\$1,998)	6.8980	(\$290)
June 30, 2004	Assumption Change from 2003 Experience Study	14	204,110	10.8445	18,822	13	198,538	10.3524	19,178
June 30, 2009	Assumption Change from 2008 Experience Study	19	65,542	13.5793	4,827	18	65,011	13.2695	4,899
June 30, 2009	2008-2009 Experience (Gains) / Losses	19	1,276,527	13.5793	94,005	18	1,266,182	13.2695	95,420
June 30, 2009	Unrecognized (Gains)/Losses while in Surplus	19	(289,746)	13.5793	(21,337)	18	(287,398)	13.2695	(21,658)
June 30, 2009	2009-2010 Plan Changes (HB 479)	19	(54,276)	13.5793	(3,997)	18	(53,836)	13.2695	(4,057)
June 30, 2010	2009-2010 Experience (Gains) / Losses	20	35,680	14.0701	2,536	19	35,485	13.7961	2,572
June 30, 2010	2010-2011 Plan Changes (SB 2100)	20	(93,478)	14.0701	(6,644)	19	(92,968)	13.7961	(6,739)
June 30, 2011	2010-2011 Experience (Gains) / Losses	21	135,756	14.5438	9,334	20	135,341	14.3052	9,461
June 30, 2012	2011-2012 Experience (Gains) / Losses	22	70,125	15.0008	4,675	20	70,063	14.3052	4,898
June 30, 2013	2012-2013 Experience (Gains) / Losses	23	395,901	15.4418	25,638	20	396,327	14.3052	27,705
June 30, 2014	Assumption/Method Change from 2013 Experience Study	24	(156,135)	15.8674	(9,840)	20	(156,584)	14.3052	(10,946)
June 30, 2014	2013-2014 Experience (Gains) / Losses	24	63,000	15.8674	3,970	20	63,180	14.3052	4,417
June 30, 2015	2014-2015 Experience (Gains) / Losses	25	54,065	16.2780	3,321	20	54,309	14.3052	3,796
June 30, 2016	2016 Assumption Changes	26	32,207	16.6742	1,932	20	32,401	14.3052	2,265
June 30, 2016	2015-2016 Experience (Gains) / Losses	26	101,114	16.6742	6,064	20	101,723	14.3052	7,111
June 30, 2017	2017 Assumption Changes	27	60,700	17.0566	3,559	20	61,150	14.3052	4,275
June 30, 2017	2016-2017 Experience (Gains) / Losses	27	82,325	17.0566	4,827	20	82,935	14.3052	5,798
June 30, 2018	2018 Assumption Changes	28	62,660	17.4256	3,596	20	63,205	14.3052	4,418
June 30, 2018	2017-2018 Experience (Gains) / Losses	28	81,023	17.4256	4,650	20	81,727	14.3052	5,713
June 30, 2019	2019 Assumption Changes	29	23,046	17.7816	1,296	20	23,274	14.3052	1,627
June 30, 2019	2019 Method Changes	n/a	(71,860)	8.9173	(8,058)	n/a	(68,418)	8.8010	(7,774)
June 30, 2019	2018-2019 Experience (Gains) / Losses	29	128,956	17.7816	7,252	20	130,231	14.3052	9,104
June 30, 2020	2020 Assumption Changes	25	112,138	16.2780	6,889	20	112,644	14.3052	7,874
June 30, 2020	2019-2020 Experience (Gains) / Losses	25	139,763	16.2780	8,586	20	140,394	14.3052	9,814
June 30, 2021	2021 Assumption Changes		126,147			20	134,725	14.3052	9,418
June 30, 2021	2020-2021 Experience (Gains) / Losses		<u>(70,857)</u>			20	<u>(75,675)</u>	14.3052	<u>(5,290)</u>
		<b>UAL as of Valuation Date</b>	<b>\$2,512,289</b>			<b>\$165,619</b>	<b>\$2,511,968</b>	<b>Total:</b>	<b>\$183,010</b>
									<b>Projected FY 2022-2023 UAL Payroll Excluding FRS Investment Plan Payroll:</b>
									<b>\$589,858</b>
									<b>FY 2022-2023 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:</b>
									<b>31.03%</b>

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**Table 4-10**  
**Florida Retirement System Pension Plan**  
**Unfunded Actuarial Liability (UAL) Bases**  
**July 1, 2021**  
**DROP**  
 (\$ in Thousands)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)	
Date	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2021-2022	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2022-2023	
June 30, 2004	Assumption Change from 2003 Experience Study	14	(\$64,701)	10.8445	(\$5,966)	13	(\$62,935)	10.3524	(\$6,079)	
June 30, 2009	Assumption Change from 2008 Experience Study	19	638,833	13.5793	47,045	18	633,656	13.2695	47,753	
June 30, 2009	2008-2009 Experience (Gains) / Losses	19	(22,655,028)	13.5793	(1,668,348)	18	(22,471,431)	13.2695	(1,693,461)	
June 30, 2009	Unrecognized (Gains)/Losses while in Surplus	19	24,049,673	13.5793	1,771,052	18	23,854,773	13.2695	1,797,711	
June 30, 2010	2009-2010 Experience (Gains) / Losses	20	265,303	14.0701	18,856	19	263,857	13.7961	19,125	
June 30, 2011	2010-2011 Experience (Gains) / Losses	21	954,806	14.5438	65,651	20	951,887	14.3052	66,541	
June 30, 2012	2011-2012 Experience (Gains) / Losses	22	(125,088)	15.0008	(8,339)	20	(124,977)	14.3052	(8,736)	
June 30, 2013	2012-2013 Experience (Gains) / Losses	23	5,286	15.4418	342	20	5,292	14.3052	370	
June 30, 2014	Assumption/Method Change from 2013 Experience Study	24	265,216	15.8674	16,715	20	265,977	14.3052	18,593	
June 30, 2014	2013-2014 Experience (Gains) / Losses	24	(668,189)	15.8674	(42,111)	20	(670,106)	14.3052	(46,844)	
June 30, 2015	2014-2015 Experience (Gains) / Losses	25	(208,689)	16.2780	(12,820)	20	(209,631)	14.3052	(14,654)	
June 30, 2016	2016 Assumption Changes	26	83,756	16.6742	5,023	20	84,260	14.3052	5,890	
June 30, 2016	2015-2016 Experience (Gains) / Losses	26	(438,538)	16.6742	(26,300)	20	(441,179)	14.3052	(30,841)	
June 30, 2017	2017 Assumption Changes	27	177,201	17.0566	10,389	20	178,514	14.3052	12,479	
June 30, 2017	2016-2017 Experience (Gains) / Losses	27	206,533	17.0566	12,109	20	208,063	14.3052	14,545	
June 30, 2018	2018 Assumption Changes	28	185,546	17.4256	10,648	20	187,159	14.3052	13,083	
June 30, 2018	2017-2018 Experience (Gains) / Losses	28	9,585	17.4256	550	20	9,668	14.3052	676	
June 30, 2019	2019 Assumption Changes	29	199,121	17.7816	11,198	20	201,089	14.3052	14,057	
June 30, 2019	2018-2019 Experience (Gains) / Losses	29	(123,823)	17.7816	(6,964)	20	(125,046)	14.3052	(8,741)	
June 30, 2020	2020 Assumption Changes	25	388,850	16.2780	23,888	20	390,605	14.3052	27,305	
June 30, 2020	2019-2020 Experience (Gains) / Losses	25	131,187	16.2780	8,059	20	131,779	14.3052	9,212	
June 30, 2021	2021 Assumption Changes		375,085			20	400,591	14.3052	28,003	
June 30, 2021	2020-2021 Experience (Gains) / Losses		<u>(598,830)</u>			20	<u>(639,550)</u>	14.3052	<u>(44,708)</u>	
		<b>UAL as of Valuation Date</b>	<b>\$3,053,094</b>		<b>\$230,675</b>		<b>\$3,022,315</b>	Total:	<b>\$221,280</b>	
									Projected FY 2022-2023 UAL Payroll Excluding FRS Investment Plan Payroll:	\$2,419,435
									<b>FY 2022-2023 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:</b>	<b>9.15%</b>

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**Table 4-11**  
**Florida Retirement System Pension Plan**  
**Actuarially Calculated Employer Contribution Rates**  
**Prior to Blending with FRS Investment Plan**  
**July 1, 2021 Valuation for Fiscal Year Beginning July 1, 2022**

**No surplus available for rate reduction**

	Regular	Special Risk	Special Risk Administrative	-- Elected Officers' Class -- Judicial	Leg-Atty-Cab	Local	Senior Management	Composite (excluding DROP)	DROP <sup>1</sup>	Composite (including DROP)
1. Employer Normal Cost Rate	5.73%	16.32%	11.70%	14.48%	9.00%	10.98%	7.59%	7.77%	7.77%	7.77%
2. UAL Contribution Rate <sup>2</sup>	5.52%	11.16%	36.66%	33.24%	80.39%	63.41%	31.03%	7.17%	9.15%	7.33%
3. Total Employer Contribution Rate [(1) + (2)]	11.25%	27.48%	48.36%	47.72%	89.39%	74.39%	38.62%	14.94%	16.92%	15.10%
4. UAL Cost Paid from Surplus	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5. Rate Reduction from Surplus	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6. Total Adjusted Employer Contribution Rate for FRS Trust Fund [(3) + (4) + (5)]	11.25%	27.48%	48.36%	47.72%	89.39%	74.39%	38.62%	14.94%	16.92%	15.10%

<sup>1</sup> DROP rates are special charges to cover the assumed cost of DROP participants; they are not Normal Cost or UAL in the traditional sense. See Section G of Executive Summary for discussion of the DROP contribution rate.

<sup>2</sup> Prior to blending with FRS Investment Plan Payroll.

**Table 4-12**  
**Florida Retirement System Pension Plan**  
**Actuarially Calculated vs. Legislated Defined Benefit Plan Contribution Rates (Before Blending) <sup>1 & 2</sup>**

Membership Class	Plan Year 2020-2021		Plan Year 2021-2022		Plan Year 2022-2023	
	Actuarially Calculated	Legislated	Actuarially Calculated	Legislated	Actuarially Calculated	Legislated
1. Regular	9.45%	9.45%	10.68%	10.68%	11.25%	TBD
2. Special Risk	24.36%	24.36%	26.02%	26.02%	27.48%	TBD
3. Special Risk Administrative	42.00%	42.00%	47.22%	47.22%	48.36%	TBD
4. Elected Officers' Class - Judicial	41.90%	41.90%	44.50%	44.50%	47.72%	TBD
5. Elected Officers' Class - Leg-Atty-Cab	69.42%	69.42%	84.66%	84.66%	89.39%	TBD
6. Elected Officers' Class - Local	63.16%	63.16%	68.78%	68.78%	74.39%	TBD
7. Senior Management Service	32.85%	32.85%	36.01%	36.01%	38.62%	TBD
8. Composite without DROP	12.62%	12.62%	14.03%	14.03%	14.94%	TBD
9. DROP	15.32%	15.32%	16.68%	16.68%	16.92%	TBD
10. Composite with DROP	12.83%	12.83%	14.23%	14.23%	15.10%	TBD

<sup>1</sup> The above rates (applied to DB plan payroll) are combined with the Investment Plan contribution rates (applied to IP payroll) to derive the uniform blended rates employers contribute.

<sup>2</sup> Contribution rates shown above do not include the 3% required employee contribution rate.

## 5. Accounting Statement

The liabilities presented in this report differ by section regarding whether future anticipated salary increases, or service credits, are included in the calculation. Actuarial Liabilities in Sections 3 and 4 are determined for plan funding purposes and include a provision for the projected effects of future salary increases and future service expected to be performed by current FRS Pension Plan members.

Statement No. 67 of the Governmental Accounting Standards Board (GASB) is the current standard for pension plan accounting disclosure by governmental pension systems. GASB 67 information for the FRS Pension Plan as of June 30, 2021 was provided under separate cover in November 2021.<sup>1</sup> GASB 67 liability calculations also include a provision for the projected effects of future salary increases and future service performed by current FRS Pension Plan members.

Accounting Standards Codification (ASC) 960 – Plan Accounting – Defined Benefit Pension Plans, formerly titled Statement No. 35 of the Financial Accounting Standards Board (FASB), specifies a different methodology for disclosure of certain information regarding pension plan funded status. Accounting liabilities calculated under ASC 960 do not include the effects of either projected future salary increases or projected future service performed.

The ASC 960 disclosures are intended to provide a “snapshot” view of how the Plan’s assets compare to its liabilities if contributions stopped and accrued benefit claims had to be satisfied. The Accumulated Benefit Obligation (ABO) is determined based on each member’s accrued benefit, that is, the benefit based on employee service performed and compensation earned up to the valuation date. We assume that the plan is ongoing and that members continue to terminate employment, retire, and otherwise act in accordance with the actuarial assumptions. Liabilities are discounted at the assumed valuation interest rate of 6.80% per annum.

Table 5-1 presents the ABO for the FRS Pension Plan determined as of July 1, 2021. All of the calculations presented in that table are based on the actuarial assumptions used in the valuation, as described in Appendix A, except salaries are not projected to increase and no future benefit service is credited for service performed after the valuation date. 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. For purposes of calculating the ABO post-Senate Bill 2100, we estimated the COLA percentage for each member as 3% multiplied by service through June 30, 2011, divided by projected total service at the time of retirement.

Table 5-2 presents the total ABO for the FRS Pension Plan for the current and two prior valuations. The trend of the Pension Plan’s ASC 960 funded status, as measured by the ABO over a period of time, is one indication of the progress being made in accumulating sufficient assets to pay benefits when due. Past and future results are affected by changes in actuarial assumptions, benefit provisions, and accounting policies.

Table 5-3 reconciles the ABO determined as of the prior valuation, July 1, 2020, to the ABO as of July 1, 2021. This reconciliation indicates the impact of the assumption changes and plan changes, if any.

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<sup>1</sup> The valuation report in prior years included Table 5-4 which showed the Net Pension Obligation under GASB Statement No. 27. That exhibit has been discontinued since GASB Statement No. 27 is not applicable after plan year 2013-2014. Please refer to the separate GASB 67 report for financial reporting information.

**Table 5-1**  
**Florida Retirement System Pension Plan**  
**Accumulated Benefit Obligation - ASC 960**  
**July 1, 2021**  
(\$ in Thousands)

	Regular	Special Risk	Special Risk Administrative	-- Elected Officers' Class --			Senior Management	DROP	Total
			Judicial	Leg-Atty-Cab	Local				
<b>A. Accumulated Benefit Obligation</b>									
1. Active Members									
a. Accumulated Member Contributions	\$3,824,184	\$805,333	\$876	\$22,696	\$1,115	\$8,393	\$110,514	\$0	\$4,773,111
b. Employer-Financed Vested Benefits	20,634,130	7,360,861	8,841	239,752	10,794	85,366	892,972	0	29,232,716
c. Employer-Financed Non-Vested Benefits	2,718,039	1,055,236	993	20,830	863	7,985	135,970	0	3,939,916
d. Total	\$27,176,353	\$9,221,430	\$10,710	\$283,278	\$12,772	\$101,744	\$1,139,456	\$0	\$37,945,743
2. Annuitants	\$91,280,912	\$26,153,508	\$72,068	\$1,088,462	\$101,251	\$565,814	\$3,729,715	\$18,425,433	\$141,417,163
3. Other Inactive Members	\$4,908,265	\$704,790	\$1,567	\$26,709	\$13,341	\$20,224	\$206,529	\$0	\$5,881,425
4. Total Accumulated Benefit Obligation	\$123,365,530	\$36,079,728	\$84,345	\$1,398,449	\$127,364	\$687,782	\$5,075,700	\$18,425,433	\$185,244,331
<b>B. Assets Available for Benefits</b>									
1. Market	\$139,111,522	\$39,872,756	\$83,102	\$1,141,393	\$70,627	\$357,796	\$3,683,390	\$17,761,597	\$202,082,183
2. Actuarial Basis	\$120,398,491	\$34,509,145	\$71,923	\$987,855	\$61,126	\$309,666	\$3,187,907	\$15,372,339	\$174,898,452
<b>C. Unfunded / (Surplus) Total Accumulated Benefit Obligation, Assets at:</b>									
1. Market	(\$15,745,992)	(\$3,793,028)	\$1,243	\$257,056	\$56,737	\$329,986	\$1,392,310	\$663,836	(\$16,837,852)
2. Actuarial Basis	\$2,967,039	\$1,570,583	\$12,422	\$410,594	\$66,238	\$378,116	\$1,887,793	\$3,053,094	\$10,345,879
<b>D. Percent of Accumulated Obligation Funded, Assets at:</b>									
1. Market	112.76%	110.51%	98.53%	81.62%	55.45%	52.02%	72.57%	96.40%	109.09%
2. Actuarial Basis	97.59%	95.65%	85.27%	70.64%	47.99%	45.02%	62.81%	83.43%	94.42%

**Table 5-2**  
**Florida Retirement System Pension Plan**  
**Analysis of Funding Progress - ASC 960**  
 (\$ in Thousands)

	July 1, 2019 Valuation Basis <sup>1</sup>	July 1, 2020 Valuation Basis	July 1, 2021 Valuation Basis
<b>A. Accumulated Benefit Obligation</b>			
1. Active Members			
a. Accumulated Member Contributions	\$4,059,603	\$4,443,217	\$4,773,111
b. Employer-Financed Vested Benefits	27,153,282	28,454,185	29,232,716
c. Employer-Financed Non-Vested Benefits	<u>3,439,272</u>	<u>3,671,536</u>	<u>3,939,916</u>
d. Total	\$34,652,157	\$36,568,938	\$37,945,743
2. Annuitants	\$110,810,614	\$116,598,497	\$122,991,730
3. Other Inactive Members	\$5,217,499	\$5,516,966	\$5,881,425
4. DROP	<u>\$17,431,519</u>	<u>\$18,106,528</u>	<u>\$18,425,433</u>
5. Total Accumulated Benefit Obligation	\$168,111,789	\$176,790,929	\$185,244,331
<b>B. Assets Available for Benefits</b>			
1. Market	\$163,573,726	\$161,568,265	\$202,082,183
2. Actuarial Basis	\$161,004,533	\$164,302,519	\$174,898,452
<b>C. Unfunded/(Surplus) Total Accumulated Benefit Obligation, Assets at:</b>			
1. Market	\$4,538,063	\$15,222,664	(\$16,837,852)
2. Actuarial Basis	\$7,107,256	\$12,488,410	\$10,345,879
<b>D. Percent of Accumulated Benefit Obligation Funded, Assets at:</b>			
1. Market	97.30%	91.39%	109.09%
2. Actuarial Basis	95.77%	92.94%	94.42%
E. Annual Salaries <sup>2</sup>	\$26,663,415	\$26,905,267	\$26,806,544
<b>F. Unfunded/(Surplus) Accumulated Benefit Obligation as a Percent of Salary, Assets at:</b>			
1. Market	17.02%	56.58%	-62.81%
2. Actuarial Basis	26.66%	46.42%	38.59%

<sup>1</sup> As reported in July 1, 2019 Actuarial Valuation of the Florida Retirement System Pension Plan, before restatement of beginning net position.

<sup>2</sup> Includes Drop Salaries.

**Table 5-3**  
**Florida Retirement System Pension Plan**  
**Statement of Changes in Accumulated**  
**Benefit Obligation**  
 (\$ in Thousands)

	ASC 960 Basis
Accumulated Benefit Obligation at July 1, 2020	\$176,790,929
Increase (Decrease) During Year Attributable to:	
Increase for Interest Due to Passage of Time	\$11,962,233
Benefits Paid - PY 2021	(\$12,006,848)
Benefits Accrued, & Other Gains/Losses	\$4,345,314
Plan Provision / Assumption Changes	\$4,152,703
Net Increase (Decrease)	\$8,453,402
Accumulated Benefit Obligation at July 1, 2021	\$185,244,331



## Appendix A: Actuarial Methods, Procedures, and Assumptions

The actuarial assumptions are intended to estimate the future experience of FRS Pension Plan members, employers and investments. Any variations in future actual experience from these assumptions will result in corresponding changes in actuarially calculated contribution rates.

### Assumption Tables

A complete listing of all the assumptions, methods, and procedures that are used in the 2021 actuarial valuation of the FRS Pension Plan are summarized on the following pages. These assumptions, methods, and procedures were approved by the 2021 FRS Actuarial Assumption Conference and the demographic assumptions are based on the 2019 Experience Study. The investment rate of return, inflation, and individual salary increase assumptions were lowered since the 2019 actuarial valuation.

### Data

Except where noted, the analysis in this valuation was based on data as of June 30, 2021, as provided by the Division of Retirement, Florida Department of Management Services. The data used in this valuation consists of financial information and records of age, service and income of active members, annuitants, and other inactive members entitled to future benefits. The Division of Retirement, Florida Department of Management Services is solely responsible for the validity, accuracy and comprehensiveness of this information; the results of our analysis can be expected to differ and may need to be revised if the underlying data supplied is incomplete or inaccurate.

### Methods and Procedures

**Actuarial cost allocation method:** The total cost of the FRS Pension Plan, over time, will be equal to the benefits paid and expenses less actual investment earnings and is not affected directly by the actuarial cost allocation method. The actuarial cost allocation method is simply a tool to allocate costs to past, current, or future years and thus primarily affects the timing of cost recognition.

The FRS Pension Plan uses Entry Age Normal (EAN), which is the most commonly used general cost method approach for state pension systems. Conceptually, EAN sets the normal cost rate level as a percent of payroll over a member's full projected working career. There are different categories of EAN, including Individual EAN, which is by far the most commonly used EAN category, and Ultimate EAN, which was the category of EAN used by the FRS Pension Plan prior to the 2019 actuarial valuation. Even each category of EAN contains different interpretations of how to calculate the key metrics. GASB Statements Nos. 67 & 68 mandate the use of a particular interpretation of Individual EAN for financial reporting purposes. GASB 67 & 68 information is provided under separate cover.

In October 2019, the FRS Actuarial Assumption Conference adopted the use of Individual EAN for system funding calculations starting with the 2019 valuation. The system now uses the same actuarial cost allocation method and interpretation for financial reporting purposes and for purposes of setting system funding policy.

Individual EAN sets normal cost in a manner that is representative of the tier in which the member actually participates. Members initially enrolled on or after July 1, 2011 (Tier II) have different benefit and retirement eligibility criteria than Tier I members initially enrolled prior to July 1, 2011. Cost methods do allocate benefits between past and projected future service, but do not affect the level of projected benefits; projected benefits are based on the actual tier of membership under either Ultimate EAN or Individual EAN. Compared to the Ultimate EAN method, the Individual EAN method allocates more of the cost of projected benefits to future service (via higher Normal Cost) and hence produces a lower Actuarial Liability for past service as a counterbalance.

**UAL amortization method:** The Unfunded Actuarial Liability (UAL) is amortized as a level percentage of projected payroll on which UAL Rates are charged in an effort to maintain level contribution rates as a percentage of payroll during the specified amortization period if future experience follows assumptions.

New UAL arises each year and is calculated in each new actuarial valuation. The newly arising UAL can be either positive or negative and can be due either to experience varying from assumptions or to changes in Actuarial Liability from modifications to assumptions, plan provisions, or actuarial methods. Each year's newly arising UAL is currently amortized over a closed 20-year period as a level percent of the projected payroll on which UAL rates are charged. Prior to the 2020 actuarial valuation, a closed 30-year period as a level percent of projected payroll was used for each newly arising UAL base. For the 2020 actuarial valuation, a closed 25-year period as a level percent of projected payroll was used for each newly arising UAL base. Beginning with the 2021 actuarial valuation, except for the 2019 Method Changes established June 30, 2019, all existing bases established before July 1, 2021 were modified to have a remaining amortization period of the lesser of their current remaining amortization period and a 20-year amortization period effective with the amortization payment for the 2022-2023 fiscal year.

The decrease in UAL arising as a result of changing the actuarial cost allocation method from Ultimate EAN to Individual EAN in 2019 is amortized separately from other UAL bases. The change in UAL due to the actuarial cost allocation method change is specific to active Tier I members whose calculated normal costs are higher under Individual EAN than under Ultimate EAN. Since there is no change in the projected benefits for Tier I members, there is a corresponding decrease in Actuarial Liability. Therefore, the decrease in the UAL due to the actuarial cost allocation method change is amortized over a closed 30-year period in a manner that mirrors the projected payroll of the closed Tier I population in the FRS Pension Plan. This method was discussed and illustrated in Milliman's October 23, 2019 and October 28, 2019 presentation materials to the FRS Actuarial Assumption Conference, including quantified year-by-year detail on the amortization schedule. The schedule adopted is summarized below:

Contribution Year	Percent of Total Amortization	Contribution Year	Percent of Total Amortization
2020 - 2021	6.1%	2035 - 2036	3.3%
2021 - 2022	6.0%	2036 - 2037	3.0%
2022 - 2023	5.9%	2037 - 2038	2.8%
2023 - 2024	5.7%	2038 - 2039	2.5%
2024 - 2025	5.6%	2039 - 2040	2.2%
2025 - 2026	5.4%	2040 - 2041	2.0%
2026 - 2027	5.3%	2041 - 2042	1.7%
2027 - 2028	5.1%	2042 - 2043	1.5%
2028 - 2029	4.9%	2043 - 2044	1.3%
2029 - 2030	4.7%	2044 - 2045	1.1%
2030 - 2031	4.5%	2045 - 2046	1.0%
2031 - 2032	4.3%	2046 - 2047	0.8%
2032 - 2033	4.1%	2047 - 2048	0.7%
2033 - 2034	3.8%	2048 - 2049	0.6%
2034 - 2035	3.6%	2049 - 2050	<u>0.5%</u>
			100.0%

When newly arising UAL is amortized as a level percent of the projected payroll, amortization periods longer than 20 years can incur significant negative amortization, wherein the calculated UAL increases for an extended period of time prior to final payoff even if all contributions are made and all assumptions are met. This was discussed and illustrated in Milliman's October 7, 2021 presentation materials to the FRS Actuarial Assumption Conference. In October 2021, the FRS Actuarial Assumption Conference adopted a maximum 20-year amortization period for existing and future amortization bases, except for the 2019 Method Changes established June 30, 2019 which is amortized separately from other UAL bases. There are no amortization bases that incur a negative amortization.

**Asset valuation method:** This method recognizes actual investment performance different from the long-term assumption systematically. The expected Actuarial Value of Assets (AVA) is determined by crediting the rate of investment return assumed in the prior valuation to the prior year's AVA. Then, 20% of the difference between the actual Market Value of Assets (MVA) and the expected AVA is immediately recognized in the AVA. To ensure that the AVA remains reasonably close to the MVA, the asset method includes a corridor whereby the AVA must remain within 80% to 120% of MVA.

### Economic Assumptions

Assumption	
Inflation	2.40%
Payroll growth	3.25%
Investment Return	6.80%

**Demographic Assumptions**

**Mortality**

Healthy Inactive Mortality (Post-Employment)

<b>Member Category (Non-Disabled Inactive)</b>	<b>PUB-2010 base table listed below, generational mortality using gender-specific MP-2018 mortality improvement projection scale</b>
Female K-12 School Instructional Personnel	Headcount Weighted Teachers Healthy Retiree Female Table, set forward 1 year
Male K-12 School Instructional Personnel	Benefits Weighted Teachers Below Median Healthy Retiree Male Table, set forward 2 years
Female Special Risk	Headcount Weighted Safety Healthy Retiree Female Table, set forward 1 year
Male Special Risk	Headcount Weighted Safety Below Median Healthy Retiree Male Table, set forward 1 year
Female (other than Special Risk or K-12 School Instructional Personnel)	Headcount Weighted General Below Median Healthy Retiree Female Table
Male (other than Special Risk or K-12 School Instructional Personnel)	Headcount Weighted General Below Median Healthy Retiree Male Table, set back 1 year

Healthy Active Mortality (During Employment)

- For Special Risk members, 25% of future active member deaths are assumed to be in the line of duty.
- For all other members, 2% of future active member deaths are assumed to be in the line of duty.

<b>Member Category (Non-Disabled Active)</b>	<b>PUB-2010 base table listed below, generational mortality using gender-specific MP-2018 mortality improvement projection scale</b>
Female K-12 School Instructional Personnel	Headcount Weighted Teachers Employee Female Table, set forward 1 year
Male K-12 School Instructional Personnel	Benefits Weighted Teachers Below Median Employee Male Table, set forward 2 years
Female Special Risk	Headcount Weighted Safety Employee Female Table, set forward 1 year
Male Special Risk	Headcount Weighted Safety Below Median Employee Male Table, set forward 1 year
Female (other than Special Risk or K-12 School Instructional Personnel)	Headcount Weighted General Below Median Employee Female Table
Male (other than Special Risk or K-12 School Instructional Personnel)	Headcount Weighted General Below Median Employee Male Table, set back 1 year

Disabled Mortality

Member Category (Disabled Inactive)	PUB-2010 base table listed below, without mortality improvement projection
Female Disabled Special Risk	80% Headcount Weighted General Disabled Retiree Female Table; 20% Headcount Weighted Safety Disabled Retiree Female Table
Male Disabled Special Risk	80% Headcount Weighted General Disabled Retiree Male Table; 20% Headcount Weighted Safety Disabled Retiree Male Table
Female Disabled (other than Special Risk)	Headcount Weighted General Disabled Retiree Female Table, set forward 3 years
Male Disabled (other than Special Risk)	Headcount Weighted General Disabled Retiree Male Table, set forward 3 years

**Retirement for Vested Terminated Members (Tier I and Tier II)**

All current vested terminated members are assumed to begin receiving benefits on the normal retirement benefit age for the appropriate class and tier. All future members who terminate employment with a vested benefit are also assumed to commence benefit at the normal retirement benefit age.

**Time in DROP for Active Members**

All current active members who are eligible for DROP entry are assumed upon entry to remain in DROP for 48 months.

**Optional Form of Payment**

All future retirees are assumed to elect the straight life (Option 1) form of benefit. For current retirees and members in DROP, the actual elected form is used.

**Retirement Assumptions (Tier I)  
 DROP Entry**

Age	Regular K-12 School Instructional		Regular Not K-12 School Instructional		Special Risk and Special Risk Admin		All Other	
	Female	Male	Female	Male	Female	Male	Female	Male
45	0.0%	0.0%	0.0%	0.0%	8.0%	13.0%	5.0%	5.0%
46	0.0%	0.0%	0.0%	0.0%	8.0%	13.0%	5.0%	5.0%
47	0.0%	0.0%	0.0%	0.0%	8.0%	13.0%	5.0%	5.0%
48	4.0%	4.0%	5.0%	5.0%	11.0%	15.0%	16.0%	16.0%
49	4.0%	4.0%	10.0%	9.0%	11.0%	15.0%	16.0%	16.0%
50	4.0%	4.0%	10.0%	9.0%	11.0%	15.0%	16.0%	16.0%
51	4.0%	4.0%	12.0%	9.0%	11.0%	15.0%	16.0%	16.0%
52	4.0%	4.0%	14.0%	9.0%	15.0%	36.0%	16.0%	16.0%
53	5.0%	4.0%	15.0%	11.0%	15.0%	27.5%	16.0%	16.0%
54	5.0%	4.0%	16.0%	12.0%	15.0%	27.5%	16.0%	16.0%
55	6.0%	4.0%	18.0%	12.0%	32.0%	27.5%	16.0%	16.0%
56	6.0%	5.0%	20.0%	15.0%	5.0%	5.0%	16.0%	16.0%
57	10.0%	8.0%	55.0%	55.0%	5.0%	5.0%	55.0%	55.0%
58	10.0%	8.0%	55.0%	50.0%	5.0%	5.0%	55.0%	55.0%
59	10.0%	9.0%	55.0%	50.0%	5.0%	5.0%	55.0%	55.0%
60	13.0%	9.0%	55.0%	50.0%	5.0%	5.0%	55.0%	55.0%
61	16.0%	14.0%	55.0%	50.0%	5.0%	5.0%	55.0%	55.0%
62	26.0%	19.0%	46.5%	42.5%	5.0%	5.0%	43.0%	43.0%
63	8.0%	6.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%
64	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%
65	5.0%	3.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%
66	3.0%	3.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%
67	3.0%	3.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%
68	3.0%	3.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%
69	3.0%	3.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%
70-79	3.0%	3.0%	5.0%	5.0%	0.0%	0.0%	3.0%	3.0%
80	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Immediate Retirement when eligible for DROP

Age	Regular K-12 School Instructional		Regular Not K-12 School Instructional		Special Risk and Special Risk Admin		Elected Officers' Subclasses		Senior Management Service Class	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
45	0.0%	0.0%	0.0%	0.0%	4.0%	5.0%	0.0%	0.0%	0.0%	0.0%
46	0.0%	0.0%	0.0%	0.0%	4.0%	5.0%	0.0%	0.0%	0.0%	0.0%
47	0.0%	0.0%	0.0%	0.0%	4.0%	5.0%	0.0%	0.0%	0.0%	0.0%
48	4.0%	4.0%	2.5%	2.5%	4.0%	5.0%	3.0%	3.0%	3.0%	3.0%
49	4.0%	4.0%	2.5%	2.5%	4.0%	5.0%	3.0%	3.0%	3.0%	3.0%
50	4.0%	4.0%	2.5%	2.5%	4.0%	5.0%	3.0%	3.0%	3.0%	3.0%
51	4.0%	4.0%	2.5%	2.5%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%
52	4.0%	4.0%	2.5%	2.5%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%
53	4.0%	4.0%	2.5%	2.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
54	4.0%	4.0%	2.5%	2.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
55	4.0%	5.0%	2.5%	2.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
56	4.0%	5.0%	2.5%	2.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
57	5.0%	5.0%	2.5%	2.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
58	5.0%	6.0%	6.0%	7.0%	7.0%	7.0%	3.0%	3.0%	10.0%	10.0%
59	6.0%	6.0%	6.0%	8.0%	7.0%	7.0%	3.0%	3.0%	10.0%	10.0%
60	7.0%	6.0%	6.0%	8.0%	7.0%	7.0%	3.0%	3.0%	10.0%	10.0%
61	10.0%	10.0%	9.0%	8.0%	7.0%	7.0%	3.0%	3.0%	10.0%	10.0%
62	13.0%	12.0%	9.0%	9.5%	7.0%	7.0%	3.0%	3.0%	10.0%	10.0%
63	9.0%	9.0%	9.0%	9.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
64	11.0%	11.0%	9.0%	9.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
65	18.0%	15.0%	9.0%	9.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
66	20.0%	17.5%	9.0%	9.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
67	20.0%	17.5%	9.0%	9.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
68	20.0%	17.5%	9.0%	9.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
69	20.0%	17.5%	9.0%	9.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
70-79	20.0%	17.5%	9.0%	9.5%	100.0%	100.0%	3.0%	3.0%	3.0%	3.0%
80	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Retirement Assumptions (Tier I) (continued)

Immediate Retirement when not eligible for DROP

Age	Regular Not K-12 School Instructional		Special Risk and Special Risk Admin		Elected Officers' Subclasses		Senior Management Service Class	
	Female	Male	Female	Male	Female	Male	Female	Male
45	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
46	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
47	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
48	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
49	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
50	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
51	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
52	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
53	0.0%	0.0%	5.0%	5.0%	0.0%	0.0%	0.0%	0.0%
54	0.0%	0.0%	5.0%	5.0%	0.0%	0.0%	0.0%	0.0%
55	0.0%	0.0%	5.0%	5.0%	0.0%	0.0%	0.0%	0.0%
56	0.0%	0.0%	5.0%	5.0%	0.0%	0.0%	0.0%	0.0%
57	0.0%	0.0%	5.0%	5.0%	0.0%	0.0%	0.0%	0.0%
58	2.0%	2.0%	5.0%	5.0%	3.0%	3.0%	6.0%	6.0%
59	5.0%	2.0%	5.0%	5.0%	3.0%	3.0%	6.0%	6.0%
60	5.0%	5.0%	7.0%	7.0%	3.0%	3.0%	6.0%	6.0%
61	5.0%	5.0%	9.0%	9.0%	3.0%	3.0%	6.0%	6.0%
62	8.0%	11.0%	20.0%	20.0%	3.0%	3.0%	6.0%	6.0%
63	8.0%	8.0%	14.0%	14.0%	5.0%	5.0%	11.0%	11.0%
64	8.0%	8.0%	14.0%	14.0%	5.0%	5.0%	11.0%	11.0%
65	15.0%	13.0%	20.0%	20.0%	5.0%	5.0%	11.0%	11.0%
66	15.0%	13.0%	25.0%	25.0%	5.0%	5.0%	11.0%	11.0%
67	15.0%	13.0%	25.0%	25.0%	12.0%	12.0%	11.0%	11.0%
68	15.0%	13.0%	25.0%	25.0%	12.0%	12.0%	11.0%	11.0%
69	15.0%	13.0%	25.0%	25.0%	12.0%	12.0%	11.0%	11.0%
70-79	15.0%	13.0%	100.0%	100.0%	12.0%	12.0%	11.0%	11.0%
80	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%



Retirement Assumptions (Tier II)

DROP Entry

Age	Regular K-12 School Instructional		Regular Not K-12 School Instructional		Special Risk and Special Risk Admin		All Other	
	Female	Male	Female	Male	Female	Male	Female	Male
50	4.0%	4.0%	10.0%	9.0%	11.0%	15.0%	16.0%	16.0%
51	4.0%	4.0%	12.0%	9.0%	11.0%	15.0%	16.0%	16.0%
52	4.0%	4.0%	14.0%	9.0%	11.0%	15.0%	16.0%	16.0%
53	5.0%	4.0%	15.0%	11.0%	11.0%	15.0%	16.0%	16.0%
54	5.0%	4.0%	16.0%	12.0%	11.0%	15.0%	16.0%	16.0%
55	6.0%	4.0%	18.0%	12.0%	17.0%	36.0%	16.0%	16.0%
56	6.0%	5.0%	20.0%	15.0%	11.0%	5.0%	16.0%	16.0%
57	10.0%	8.0%	20.0%	15.0%	11.0%	5.0%	16.0%	16.0%
58	10.0%	8.0%	20.0%	15.0%	11.0%	5.0%	16.0%	16.0%
59	10.0%	9.0%	20.0%	15.0%	11.0%	5.0%	16.0%	16.0%
60	13.0%	9.0%	55.0%	55.0%	20.0%	5.0%	55.0%	55.0%
61	16.0%	14.0%	55.0%	49.0%	5.0%	5.0%	50.0%	50.0%
62	16.0%	14.0%	49.5%	43.0%	5.0%	5.0%	45.0%	45.0%
63	16.0%	14.0%	43.0%	37.0%	5.0%	5.0%	40.0%	40.0%
64	16.0%	14.0%	36.5%	31.0%	5.0%	5.0%	35.0%	35.0%
65	16.0%	14.0%	30.0%	25.0%	5.0%	5.0%	30.0%	30.0%
66	3.0%	3.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%
67	3.0%	3.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%
68	3.0%	3.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%
69	3.0%	3.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%
70-79	3.0%	3.0%	5.0%	5.0%	0.0%	0.0%	3.0%	3.0%
80	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Retirement Assumptions (Tier II) (continued)

Immediate Retirement when eligible for DROP

Age	Regular K-12 School Instructional		Regular Not K-12 School Instructional		Special Risk and Special Risk Admin		Elected Officers' Subclasses		Senior Management Service Class	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
50	4.0%	4.0%	2.5%	2.5%	4.0%	5.0%	3.0%	3.0%	3.0%	3.0%
51	4.0%	4.0%	2.5%	2.5%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%
52	4.0%	4.0%	2.5%	2.5%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%
53	4.0%	4.0%	2.5%	2.5%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%
54	4.0%	4.0%	2.5%	2.5%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%
55	4.0%	5.0%	2.5%	2.5%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%
56	4.0%	5.0%	2.5%	2.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
57	5.0%	5.0%	2.5%	2.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
58	5.0%	6.0%	2.5%	2.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
59	6.0%	6.0%	2.5%	2.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
60	7.0%	6.0%	2.5%	2.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
61	10.0%	10.0%	9.0%	8.0%	7.0%	7.0%	3.0%	3.0%	10.0%	10.0%
62	10.0%	10.0%	9.0%	9.5%	7.0%	7.0%	3.0%	3.0%	10.0%	10.0%
63	10.0%	10.0%	9.0%	9.5%	7.0%	7.0%	3.0%	3.0%	10.0%	10.0%
64	10.0%	10.0%	9.0%	9.5%	7.0%	7.0%	3.0%	3.0%	10.0%	10.0%
65	20.0%	17.5%	9.0%	9.5%	7.0%	7.0%	3.0%	3.0%	10.0%	10.0%
66	20.0%	17.5%	9.0%	9.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
67	20.0%	17.5%	9.0%	9.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
68	20.0%	17.5%	9.0%	9.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
69	20.0%	17.5%	9.0%	9.5%	7.0%	7.0%	3.0%	3.0%	3.0%	3.0%
70-79	20.0%	17.5%	9.0%	9.5%	100.0%	100.0%	3.0%	3.0%	3.0%	3.0%
80	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Retirement Assumptions (Tier II) (continued)

Immediate Retirement when not eligible for DROP

Age	Regular Not K-12 School Instructional		Special Risk and Special Risk Admin		Elected Officers' Subclasses		Senior Management Service Class	
	Female	Male	Female	Male	Female	Male	Female	Male
50	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
51	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
52	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
53	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
54	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
55	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
56	0.0%	0.0%	5.0%	5.0%	0.0%	0.0%	0.0%	0.0%
57	0.0%	0.0%	5.0%	5.0%	0.0%	0.0%	0.0%	0.0%
58	0.0%	0.0%	5.0%	5.0%	0.0%	0.0%	0.0%	0.0%
59	0.0%	0.0%	5.0%	5.0%	0.0%	0.0%	0.0%	0.0%
60	0.0%	0.0%	7.0%	7.0%	0.0%	0.0%	0.0%	0.0%
61	5.0%	5.0%	9.0%	9.0%	3.0%	3.0%	6.0%	6.0%
62	5.0%	5.0%	20.0%	20.0%	3.0%	3.0%	6.0%	6.0%
63	5.0%	5.0%	14.0%	14.0%	3.0%	3.0%	6.0%	6.0%
64	5.0%	5.0%	14.0%	14.0%	3.0%	3.0%	6.0%	6.0%
65	15.0%	13.0%	20.0%	20.0%	3.0%	3.0%	11.0%	11.0%
66	15.0%	13.0%	25.0%	25.0%	5.0%	5.0%	11.0%	11.0%
67	15.0%	13.0%	25.0%	25.0%	12.0%	12.0%	11.0%	11.0%
68	15.0%	13.0%	25.0%	25.0%	12.0%	12.0%	11.0%	11.0%
69	15.0%	13.0%	25.0%	25.0%	12.0%	12.0%	11.0%	11.0%
70-79	15.0%	13.0%	100.0%	100.0%	12.0%	12.0%	11.0%	11.0%
80	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Line-of-Duty Disability Annual Rates**

Age	Special Risk Class	All Other Classes
<42	0.005%	0.001%
42-46	0.050%	0.001%
47-50	0.050%	0.002%
51-54	0.090%	0.004%
55-56	0.090%	0.005%
57-58	0.090%	0.006%
59	0.090%	0.007%
60-61	0.090%	0.006%
62	0.090%	0.003%
63	0.090%	0.002%
64+	0.090%	0.001%

**Non-Duty Disability Annual Rates**

Age	Special Risk Class	All Other Classes
20	0.020%	0.000%
21-27	0.020%	0.010%
28-35	0.040%	0.010%
36-40	0.040%	0.020%
41-44	0.040%	0.030%
45-46	0.040%	0.040%
47-50	0.070%	0.080%
51-54	0.070%	0.130%
55	0.070%	0.160%
56	0.070%	0.170%
57-58	0.070%	0.190%
59	0.070%	0.230%
60	0.070%	0.210%
61	0.070%	0.200%
62	0.070%	0.110%
63	0.070%	0.080%
64+	0.070%	0.040%

Withdrawal – Other Terminations of Employment Annual Rates

Combined Years of Service	Regular – Male					
	Under 25	25 to 29	Attained Age			55+
			30 to 34	35 to 44	45 to 54	
0	27.0%	25.0%	23.0%	22.0%	21.0%	27.0%
1	19.0%	17.0%	15.0%	13.5%	12.5%	12.5%
2	17.5%	13.5%	12.0%	10.5%	9.5%	9.0%
3	16.0%	11.5%	10.0%	9.0%	7.8%	7.8%
4	15.5%	10.0%	8.5%	8.0%	6.5%	6.5%
5	10.5%	9.0%	8.5%	7.5%	6.0%	6.0%
6	10.5%	8.5%	7.5%	6.5%	6.0%	6.0%
7	8.0%	8.0%	6.5%	6.0%	5.0%	5.0%
8	5.5%	5.5%	5.0%	5.5%	5.0%	4.0%
9	5.0%	5.0%	5.0%	4.5%	4.0%	4.0%
10	4.0%	4.0%	4.0%	4.0%	4.0%	3.0%
11	3.5%	3.5%	3.0%	3.5%	3.5%	3.0%
12	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
13	3.0%	3.0%	3.0%	3.0%	3.0%	2.5%
14	2.5%	2.5%	1.5%	2.5%	2.5%	2.5%
15	2.5%	2.5%	1.5%	2.0%	2.5%	2.5%
16	2.0%	2.0%	1.5%	2.0%	2.0%	2.0%
17	2.0%	2.0%	1.5%	2.0%	2.0%	2.0%
18	2.0%	2.0%	1.5%	1.5%	2.0%	2.0%
19	2.0%	2.0%	1.5%	1.5%	2.0%	2.0%
20	1.5%	1.5%	1.5%	1.0%	1.5%	1.5%
21	1.3%	1.3%	1.3%	1.0%	1.3%	1.3%
22	1.3%	1.3%	1.3%	1.0%	1.3%	1.3%
23	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
24	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
25	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
26	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
27	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
28	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
29	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
30+	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%

Withdrawal (continued)

Combined Years of Service	Regular – Female					
	Under 25	25 to 29	30 to 34	35 to 44	45 to 54	55+
0	28.0%	28.0%	27.0%	26.0%	25.0%	30.0%
1	18.0%	17.0%	16.0%	15.0%	12.5%	12.5%
2	16.0%	13.5%	12.5%	11.5%	10.0%	10.0%
3	16.0%	11.5%	10.5%	9.5%	9.0%	9.0%
4	16.0%	10.0%	9.0%	8.0%	7.5%	7.5%
5	13.0%	8.0%	8.0%	7.5%	7.5%	7.5%
6	12.0%	8.0%	8.0%	7.5%	7.5%	7.5%
7	7.5%	7.5%	7.5%	6.5%	6.5%	6.5%
8	6.0%	6.0%	6.0%	5.5%	5.5%	5.5%
9	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
10	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
11	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
12	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
13	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
14	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
15	3.0%	3.0%	3.0%	2.8%	2.8%	2.8%
16	3.0%	3.0%	3.0%	2.5%	2.5%	2.5%
17	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
18	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
19	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
20	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
21	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
22	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
23	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
24	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
25	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
26	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
27	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
28	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
29	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
30+	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%

Withdrawal (continued)

Combined Years of Service	Elected Officers' Class: Local					
	Under 25	25 to 29	30 to 34	35 to 44	45 to 54	55+
0	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
1	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
2	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
3	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
4	14.0%	14.0%	14.0%	14.0%	14.0%	14.0%
5	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
6	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
7	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
8	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
9	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
10	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
11	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
12	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
13	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
14	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
15	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
16	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
17	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
18	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
19	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
20	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
21	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
22	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
23	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
24	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
25	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
26	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
27	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
28	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
29	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%
30+	3.4%	3.4%	3.4%	3.4%	3.4%	3.4%

Withdrawal (continued)

Combined Years of Service	Elected Officers' Class: Leg-Atty-Cab					
	Under 25	25 to 29	30 to 34	35 to 44	45 to 54	55+
0	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
1	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
2	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
3	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
4	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
5	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
6	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
7	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
8	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
9	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
10	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
11	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
12	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
13	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
14	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
15	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
16	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
17	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
18	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
19	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
20	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
21	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
22	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
23	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
24	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
25	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
26	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
27	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
28	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
29	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
30+	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%



Withdrawal (continued)

Combined Years of Service	Elected Officers' Class: Judges					
	Attained Age					
	Under 25	25 to 29	30 to 34	35 to 44	45 to 54	55+
0	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
1	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
2	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
3	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
4	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
5	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
6	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
7	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
8	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
9	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
10	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
11	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
12	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
13	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
14	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
15	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
16	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
17	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
18	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
19	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
20	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
21	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
22	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
23	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
24	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
25	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
26	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
27	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
28	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
29	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
30+	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

Withdrawal (continued)

Combined Years of Service	Senior Management – Male					
	Attained Age					
	Under 25	25 to 29	30 to 34	35 to 44	45 to 54	55+
0	9.0%	9.0%	9.0%	9.0%	9.0%	11.0%
1	10.5%	10.5%	10.5%	10.5%	10.5%	11.0%
2	17.0%	17.0%	17.0%	17.0%	17.0%	14.5%
3	16.0%	16.0%	16.0%	16.0%	16.0%	10.5%
4	12.0%	12.0%	12.0%	12.0%	12.0%	7.0%
5	10.0%	10.0%	10.0%	10.0%	10.0%	5.0%
6	9.5%	9.5%	9.5%	9.5%	9.5%	5.0%
7	7.0%	7.0%	7.0%	7.0%	7.0%	5.0%
8	6.0%	6.0%	6.0%	6.0%	6.0%	4.0%
9	6.0%	6.0%	6.0%	6.0%	6.0%	4.0%
10	5.0%	5.0%	5.0%	5.0%	5.0%	4.0%
11	5.0%	5.0%	5.0%	5.0%	5.0%	4.0%
12	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
13	4.0%	4.0%	4.0%	4.0%	4.0%	3.5%
14	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
15	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
16	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
17	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
18	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
19	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
20	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
21	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
22	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
23	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
24	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
25	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
26	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
27	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
28	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
29	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
30+	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

Withdrawal (continued)

Combined Years of Service	Senior Management – Female					
	Attained Age					
	Under 25	25 to 29	30 to 34	35 to 44	45 to 54	55+
0	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
1	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
2	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
3	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
4	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
5	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
6	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
7	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
8	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
9	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
10	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
11	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
12	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
13	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
14	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
15	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
16	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
17	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
18	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
19	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
20	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
21	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
22	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
23	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
24	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
25	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
26	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
27	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
28	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
29	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
30+	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

Withdrawal (continued)

Special Risk & Special Risk Administrative – Male						
Combined Years of Service	Attained Age					
	Under 25	25 to 29	30 to 34	35 to 44	45 to 54	55+
0	17.5%	15.5%	15.5%	17.5%	17.5%	17.5%
1	10.0%	9.0%	9.0%	10.0%	9.0%	9.0%
2	8.0%	8.0%	8.0%	8.0%	7.0%	8.0%
3	7.0%	7.0%	7.0%	7.0%	5.5%	7.0%
4	5.0%	6.0%	6.0%	6.0%	5.5%	6.0%
5	4.0%	5.0%	5.0%	5.0%	4.0%	5.0%
6	4.0%	5.0%	5.0%	5.0%	4.0%	5.0%
7	4.0%	5.0%	4.0%	4.0%	3.5%	4.0%
8	3.5%	4.5%	3.5%	3.5%	3.0%	3.5%
9	3.0%	3.5%	3.0%	3.0%	3.0%	3.0%
10	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
11	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
12	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
13	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
14	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
15	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
16	1.0%	1.0%	1.0%	1.0%	1.5%	1.5%
17	1.0%	1.0%	1.0%	1.0%	1.5%	1.5%
18	1.0%	1.0%	1.0%	1.0%	1.5%	1.5%
19	1.0%	1.0%	1.0%	1.0%	1.5%	1.5%
20	1.0%	1.0%	1.0%	1.0%	1.5%	1.5%
21	1.0%	1.0%	1.0%	1.0%	1.5%	1.5%
22	0.8%	0.8%	0.8%	0.8%	1.0%	1.0%
23	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%
24	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%
25	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%
26	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%
27	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%
28	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%
29	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%
30+	0.5%	0.5%	0.5%	0.5%	1.0%	1.0%

Withdrawal (continued)

Special Risk & Special Risk Administrative – Female						
Combined Years of Service	Attained Age					
	Under 25	25 to 29	30 to 34	35 to 44	45 to 54	55+
0	24.0%	24.0%	24.0%	26.0%	30.0%	30.0%
1	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%
2	11.0%	11.0%	9.0%	10.5%	10.5%	10.5%
3	8.0%	8.0%	8.5%	10.5%	10.0%	10.0%
4	8.0%	8.0%	7.0%	7.0%	10.0%	10.0%
5	6.5%	6.5%	6.5%	6.5%	6.5%	6.5%
6	6.5%	6.5%	6.5%	6.0%	6.0%	6.0%
7	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
8	5.0%	5.0%	4.5%	4.5%	6.0%	6.0%
9	3.5%	3.5%	3.5%	3.5%	6.0%	6.0%
10	3.5%	3.5%	3.5%	3.5%	5.0%	5.0%
11	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
12	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
13	2.5%	2.5%	2.5%	2.5%	3.0%	3.0%
14	2.5%	2.5%	2.5%	2.5%	3.0%	3.0%
15	2.3%	2.3%	2.3%	2.3%	3.0%	3.0%
16	2.0%	2.0%	2.0%	2.0%	3.0%	3.0%
17	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
18	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%
19	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%
20	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%
21	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%
22	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
23	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
24	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
25	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
26	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
27	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
28	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
29	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
30+	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

**Individual Member Salary Increase Assumptions**

(Based on 2.40% inflation assumption)

Combined Years of Service	Regular	Special Risk	Special Risk Admin	ECO	ESO	Judges	Senior Management
0	7.80%	7.40%	3.70%	3.50%	3.25%	3.50%	8.20%
1	5.80%	5.70%	3.70%	3.50%	3.25%	3.50%	8.20%
2	5.40%	5.40%	3.70%	3.50%	3.25%	3.50%	7.30%
3	5.10%	5.40%	3.70%	3.50%	3.25%	3.50%	6.50%
4	4.70%	5.40%	3.70%	3.50%	3.25%	3.50%	6.10%
5	4.60%	5.40%	3.70%	3.50%	3.25%	3.50%	5.80%
6	4.60%	5.40%	3.70%	3.50%	3.25%	3.50%	5.40%
7	4.50%	5.30%	3.70%	3.50%	3.25%	3.50%	5.10%
8	4.40%	5.30%	3.70%	3.50%	3.25%	3.50%	4.60%
9	4.40%	5.30%	3.70%	3.50%	3.25%	3.50%	4.60%
10	4.40%	5.30%	3.70%	3.50%	3.25%	3.50%	4.60%
11	4.30%	5.10%	3.70%	3.50%	3.25%	3.50%	4.60%
12	4.20%	5.10%	3.70%	3.50%	3.25%	3.50%	4.60%
13	4.20%	5.00%	3.70%	3.50%	3.25%	3.50%	4.60%
14	4.20%	5.00%	3.70%	3.50%	3.25%	3.50%	4.60%
15	4.20%	5.00%	3.70%	3.50%	3.25%	3.50%	4.60%
16	4.20%	4.80%	3.70%	3.50%	3.25%	3.50%	4.60%
17	4.20%	4.80%	3.70%	3.50%	3.25%	3.50%	4.10%
18	4.10%	4.80%	3.70%	3.50%	3.25%	3.50%	4.10%
19	4.10%	4.80%	3.70%	3.50%	3.25%	3.50%	4.10%
20	4.10%	4.80%	3.70%	3.50%	3.25%	3.50%	4.10%
21	4.00%	4.80%	3.70%	3.50%	3.25%	3.50%	4.10%
22	4.00%	4.80%	3.70%	3.50%	3.25%	3.50%	4.10%
23	3.90%	4.80%	3.70%	3.50%	3.25%	3.50%	4.10%
24	3.90%	4.80%	3.70%	3.50%	3.25%	3.50%	4.10%
25	3.80%	4.80%	3.70%	3.50%	3.25%	3.50%	4.10%
26	3.70%	4.80%	3.70%	3.50%	3.25%	3.50%	4.10%
27	3.60%	4.80%	3.70%	3.50%	3.25%	3.50%	4.10%
28	3.50%	4.80%	3.70%	3.50%	3.25%	3.50%	4.10%
29	3.40%	4.80%	3.70%	3.50%	3.25%	3.50%	4.10%
30+	3.40%	4.80%	3.70%	3.50%	3.25%	3.50%	4.10%

**Unused Annual Leave Available at Retirement**

Membership Class	Hours
Regular	230
Special Risk	270
Senior Management Service	310
Others Not Listed Above	230

**Eligible Survivors**

It is assumed that 80% of deceased active members will have survivors eligible for lifetime benefits upon their deaths. Survivors are assumed to be opposite sex of the deceased member and males are assumed to be three years older than their female spouses.

**Commencement of Survivor Benefits**

It is assumed that survivors of deceased active members will defer commencement of benefits until the following:

Membership Class / Tier	Member Age
Special Risk / Tier 1	45
Special Risk / Tier 2	50
Other classes / Tier 1 and 2	55

**Military Service and Out-of-State Service Credits**

Active members are assumed to have purchased the following additional years of service credit.

Type of Service Credit	Special Risk Class		All other classes	
	Men	Women	Men	Women
Military Service Credit <sup>1</sup>	0.2818	0	0.1853	0
Out-of-State Service Credit <sup>2</sup>	0	0	0.0910	0.0910

<sup>1</sup> Pre-1987 hires only; service is eligible for the COLA.

<sup>2</sup> Service for pre-July 1, 2011 enrollees is eligible for the COLA; assumption applies to both tiers.

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

**Changes to the Actuarial Assumptions and Methods**

Changes to investment rate of return were adopted by the 2021 FRS Actuarial Assumption Conference during its meeting in October 2021. The investment return decreased from 7.00% to 6.80%.

## Appendix B: Summary of Plan Provisions

All actuarial calculations are based upon our understanding of Florida Statutes regarding the benefit and eligibility 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.

### Florida Retirement System (FRS)

The benefit, eligibility, 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 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 FRS. 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 FRS Pension Plan and a defined contribution plan alternative known as the FRS Investment Plan (IP). The earliest that any member could participate in the IP 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.

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 Pension Plan when the FRS Investment Plan was created were provided an educational period about their plan choice options prior to a 90-day election period to elect between the FRS Pension Plan and the FRS Investment Plan (IP). Members newly hired after the IP became effective are provided eight 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 FRS Investment Plan except for Special Risk Class members who default into the FRS Pension Plan.

After the initial active or default election to participate in the FRS Pension Plan or the FRS Investment Plan, the employee has one opportunity, at the employee's discretion before termination or retirement, to choose to move



from the FRS Pension Plan to the FRS Investment Plan or vice versa, except for renewed members initially enrolled on or after July 1, 2017.

(Sections 121.051, 121.4501, 121.122)

### **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 (DROP) is available to FRS Pension Plan members who meet the requirements for normal retirement under the FRS Pension Plan.

**Regular Class** – members who are 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 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, 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 administrative rules.

**Special Risk Administrative Support Class** – former Special Risk Class members employed as law enforcement officers, firefighters, correctional officers, or emergency medical technicians who have been moved or been re-assigned to non-Special Risk administrative support positions within a Florida Retirement System Special Risk employing agency.

**Elected Officers' Class** – members include the Governor, Lieutenant Governor, cabinet officers, legislators, 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, elect membership in the Senior Management Service Class or, if state officers, elect membership in the Senior Management Service Optional Annuity Program if initially enrolled before July 1, 2017.

**Senior Management Service Class** – members 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; appointed criminal conflict and civil regional counsel, assistant regional counsel chiefs, administrative directors, and chief investigators in each district; and non-elective managerial positions designated for SMSC membership by local government agencies. Members in this class have either chosen not to participate or are not eligible to participate in the elective Senior Management Service Optional Annuity Program for state senior managers or to withdraw from the FRS if employed by non-state employers. This class became effective February 1, 1987, and members of

an existing retirement system and members of the Special Risk or Special Risk Administrative Support Classes who were employed prior to February 1, 1987, could elect to remain in such system or class.

**Deferred Retirement Option Program (DROP)** – allows members of the FRS Pension Plan in any of the above five classes to elect to retire when they reach normal retirement 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**

From January 1, 1975, for the state and for school boards, and from October 1, 1975, for other agencies, through June 30, 2011, the total cost of the System was paid by the participating employers.

Beginning July 1, 2011, all FRS Pension Plan and FRS Investment Plan members, except those FRS Pension Plan members participating in DROP, are required to pay member contributions equal to 3% of compensation. TRS members already pay required employee contributions. Member contributions do not accrue interest except for TRS members.

(Section 121.071 (2))

The employer contribution rates enacted for the July 1, 2021 – June 30, 2022 plan year are as follows:

	Regular	Special Risk	Special Risk Administrative	Judicial	Elected Officers Class		Senior Management	DROP
					Leg-Atty-Cab	Local		
Defined Benefit Plan								
- Normal Cost Rate	5.34%	15.57%	11.31%	13.82%	9.19%	10.97%	7.09%	7.23%
- UAL Rate	<u>5.34</u>	<u>10.45</u>	<u>35.91</u>	<u>30.68</u>	<u>75.47</u>	<u>57.81</u>	<u>28.92</u>	<u>9.45</u>
- Total DB Rate	10.68%	26.02%	47.22%	44.50%	84.66%	68.78%	36.01%	16.68%
Investment Plan								
- Employer Rate	3.60%	13.54%	5.43%	11.05%	6.94%	8.95%	4.98%	n/a
- UAL Rate	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>n/a</u>
- Total IP Rate	3.60%	13.54%	5.43%	11.05%	6.94%	8.95%	4.98%	n/a
Blended Uniform Contribution Rates								
- Normal Cost Rate	4.91%	15.27%	9.73%	13.38%	8.49%	10.28%	6.49%	7.23%
- UAL Rate	<u>4.19</u>	<u>8.90</u>	<u>26.31</u>	<u>25.81</u>	<u>53.52</u>	<u>39.42</u>	<u>20.80</u>	<u>9.45</u>
- Total Rate	9.10%	24.17%	36.04%	39.19%	62.01%	49.70%	27.29%	16.68%

The above rates exclude the 0.06% administrative charge for Investment Plan administration and education (except DROP), and the 1.66% for the financing of the Florida Retiree Health Insurance Subsidy program.

(Sections 121.71, 121.74)

## Compensation

“Compensation” means the monthly salary paid a member by his or her employer for work performed arising from that employment.

(a) Compensation shall include:

1. Overtime payments paid from a salary fund.
2. Accumulated annual leave payments.
3. Payments in addition to the employee’s base rate of pay if all the following apply:
  - a. The payments are paid according to a formal written policy that applies to all eligible employees equally;
  - b. The policy provides that payments shall commence no later than the 11th year of employment;
  - c. The payments are paid for as long as the employee continues his or her employment; and
  - d. The payments are paid at least annually.
4. Amounts withheld for tax sheltered annuities or deferred compensation programs, or any other type of salary reduction plan authorized under the Internal Revenue Code.
5. Payments made in lieu of a permanent increase in the base rate of pay, whether made annually or in 12 or 26 equal payments within a 12-month period, when the member’s base pay is at the maximum of his or her pay range. When a portion of a member’s annual increase raises his or her pay range and the excess is paid as a lump sum payment, such lump sum payment shall be compensation for retirement purposes.

(b) Compensation for a member participating in the FRS Pension Plan or the FRS Investment Plan may not include:

1. Fees paid professional persons for special or particular services or salary payments made from a faculty practice plan authorized by the Board of Governors of the State University System for eligible clinical faculty at a college in a state university that has a faculty practice plan; or
2. Any bonuses or other payments prohibited from inclusion in the member’s average final compensation.

(c) For all purposes under this chapter, the member’s compensation or gross compensation contributed as employee-elective salary reductions or deferrals to any salary reduction, deferred compensation, or tax-sheltered annuity program authorized under the Internal Revenue Code shall be deemed to be the compensation or gross compensation which the member would receive if he or she were not participating in such program and shall be treated as compensation for retirement purposes under this chapter. Any public funds otherwise paid by an employer into an employee’s salary reduction, deferred compensation, or tax-sheltered annuity program on or after July 1, 1990 (the date as of which all employers were notified in writing by the division to cease making contributions to the System Trust Fund based on such amounts), shall be considered a fringe benefit and shall not be treated as compensation for retirement purposes under this chapter. However, if an employer was notified in writing by the division to cease making such contributions as of a different date, that employer shall be subject to the requirements of said written notice.

(d) For any person who first becomes a member on or after July 1, 1996, compensation for any plan year shall not include any amounts in excess of the Section 401(a)(17), Internal Revenue Code limitation (as amended by the Omnibus Budget Reconciliation Act of 1993), which limitation of \$150,000 effective July 1, 1996, shall be adjusted as required by federal law for qualified government plans and shall be further adjusted for changes in the cost of living in the manner provided by Section 401(a)(17)(B), Internal Revenue Code. For any person who first became a member prior to July 1, 1996, compensation for all plan years beginning on or

after July 1, 1990, shall not include any amounts in excess of the compensation limitation (originally \$200,000) established by Section 401(a)(17), Internal Revenue Code prior to the Omnibus Budget Reconciliation Act of 1993, which limitation shall be adjusted for changes in the cost of living since 1989, in the manner provided by Section 401(a)(17) of the Internal Revenue Code of 1991. This limitation, which has been part of the Florida Retirement System since plan years beginning on or after July 1, 1990, shall be adjusted as required by federal law for qualified government plans.

“Annual compensation” means the total compensation paid a member during a year. A “year” is 12 continuous months.

(Section 121.021(22) and (23))

## FRS Pension Plan

### Normal Retirement Benefit

#### *Eligibility – Members initially enrolled before July 1, 2011 (Tier I)*

- 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)(1))
- 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 when the member has service in any other membership class in addition to Special Risk Class (same requirement as the Regular Class).  
(Section 121.021(29)(b)(1))
- 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)  
(Sections 121.0515(8) and 121.021(29)(b)(1))
- Elected Officers' Class  
(same requirements as apply to Regular Class)  
(Section 121.021(29)(a)(1))
- Senior Management Service Class  
(same requirements as apply to Regular Class)  
(Section 121.021(29)(a)(1))

**Eligibility – Members initially enrolled on and after July 1, 2011 (Tier II)**

- Regular Class
  1. 33 years of creditable service at any age.
  2. Age 65 and 8 or more years of creditable service.  
(Section 121.021(29)(a)(2))
- Special Risk Class
  1. 30 years of special risk service at any age; or
  2. Age 60 and 8 or more years of special risk service; or
  3. 33 years of any creditable service, at any age, or age 65 and 8 or more years of creditable service (same requirement as the Regular Class).  
(Section 121.021(29)(b)(2))
- Special Risk Administrative Support Class  
(with eight 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)  
(Sections 121.0515(8) and 121.021(29)(b)(2))
- Elected Officers' Class  
(same requirements as apply to Regular Class)  
(Section 121.021(29)(a)(2))
- Senior Management Service Class  
(same requirements as apply to Regular Class)  
(Section 121.021(29)(a)(2))

**Normal Form**

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

(Section 121.091(1))

**Optional Forms**

10-year certain and life benefit (Option 2), 100% joint and contingent 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 (8 years for members enrolled on or after July 1, 2011) 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 Pension Plan allowance is the product of:

1. Average final compensation
  - a. For members initially enrolled before July 1, 2011, the average of the highest five plan years of creditable service;
  - b. For members initially enrolled on or after July 1, 2011, the average of the highest eight plan years of creditable service;
2. Creditable service during the applicable period; and
3. The appropriate benefit percentage for periods of service.

All benefits are limited to 100% of average final compensation.

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

The appropriate benefit percentages are as follows:

- For Members initially enrolled before July 1, 2011, for Creditable Service as a Regular Class member Subsequent to November 30, 1970:

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

- For Members initially enrolled on or after July 1, 2011, for Creditable Service as a Regular Class member Subsequent to November 30, 1970:

Retirement at:	Percentage
Age 65 with 8 years of creditable service, or 33 years of creditable service	1.60%
Age 66 with 8 years of creditable service, or 34 years of creditable service	1.63%

Age 67 with 8 years of creditable service, or 35 years of creditable service	1.65%
Age 68 with 8 years of creditable service, or 36 years of creditable service	1.68%

(Section 121.091(1))

Service as a Special Risk Class member:

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

(Section 121.091(1))

- For Members initially enrolled before July 1, 2011, 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 special risk 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 special risk service	1.60%
Age 56 with 6 years of creditable special risk 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 special risk service	1.63%
Age 57 with 6 years of creditable special risk 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 special risk service	1.65%
Age 58 with 6 years of creditable special risk 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 special risk service	1.68%

- For Members initially enrolled on or after July 1, 2011, for Creditable Service as a Special Risk Administrative Support Class member Subsequent to November 30, 1970:

Retirement at:	Percentage
Age 60 with 8 years of creditable special risk service or 30 years of creditable special risk service	1.60%
Age 61 with 8 years of creditable special risk service or 31 years of creditable special risk service	1.63%
Age 62 with 8 years of creditable special risk service or 32 years of creditable special risk service	1.65%
Age 63 with 8 years of creditable special risk service or 33 years of creditable special risk service	1.68%

(Section 121.0515(8) and 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))

**Early Retirement**

***Eligibility***

For members initially enrolled before July 1, 2011, six years of creditable service for all classes of membership.

For members initially enrolled on or after July 1, 2011, eight 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 as follows:

1. Special Risk Class members:
  - a. Initially enrolled before July 1, 2011: Age 55
  - b. Initially enrolled on or after July 1, 2011: Age 60



2. Members in all other Classes
  - a. Initially enrolled before July 1, 2011: Age 62
  - b. Initially enrolled on or after July 1, 2011: Age 65

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

### **Non-Duty Disability Retirement**

#### ***Eligibility***

Members are eligible if totally and permanently disabled after completing at least eight years of creditable service (or after six years if disability retirement is ordered for a judge by the Supreme Court).

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

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

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

25% of average final compensation.

If the Supreme Court orders disability retirement for a judge, the minimum is two-thirds of compensation at disability. This benefit for a defined benefit plan member is not paid from the FRS Trust Fund. This benefit for an Investment Plan member is paid from the FRS Trust Fund after the member's IP account balance is transferred to 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. This benefit for an Investment Plan member is paid from the FRS Trust Fund after the member's IP account balance is transferred to the FRS Trust Fund.

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

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

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

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

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

(Section 121.091(4))

## Post-Retirement Death Benefits

Based on the optional form elected.

## Non-Duty Pre-Retirement Death Benefits

### *Eligibility*

Employment is terminated by death after vested 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 (Option 3) 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 is more than 10 years away from normal retirement eligibility, the reduction is 5% for each year the member would be younger than the normal retirement age at retirement. There are exceptions if within 10 years of normal retirement eligibility:

1. For members initially enrolled before July 1, 2011, who were within 10 years of normal retirement eligibility, 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.
2. For members initially enrolled on or after July 1, 2011, who were within 10 years of normal retirement eligibility, the reduction for early retirement is applied from the earlier of age 65 (age 60 for Special Risk Class and Special Risk Administrative Support Class members) or the date on which the member would have completed 33 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.

### *Benefit Amount*

For members in all classes except the Special Risk Class, the surviving spouse will receive one-half of the member's base 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.

For members in the Special Risk Class the surviving spouse will receive a benefit equal to 100% of the member's base monthly compensation at death. If there is no surviving spouse, the monthly benefits continue

until the youngest child is age 18 and surviving child payments may be extended up to age 25 if the child is unmarried and enrolled as a full-time student.<sup>1</sup>

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***

For members initially enrolled before July 1, 2011, six years of creditable service for all classes of membership. For members initially enrolled on or after July 1, 2011, eight years of creditable service for all membership classes.

### ***Benefit Amount***

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

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

## DROP – Deferred Retirement Option Program

### ***Eligibility***

Except as allowed by statute, notably for K-12 instructional personnel<sup>2</sup>, members have a limited eligibility window during which they can elect to enter the DROP. A member initially becomes eligible to enter DROP in the same month he or she first becomes eligible to file for unreduced immediate retirement benefits. Eligibility windows differ by tier and membership class and are initially reached via satisfying either service-only criteria or age-plus-service criteria.

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<sup>1</sup> Effective July 1, 2016 and retroactive to the survivors of Special Risk Class members killed in the line of duty on or after July 1, 2013, the benefit increased from 50% to 100% of the member's base pay. Effective July 1, 2017 the same benefits were provided retroactively to the survivors of Special Risk Class members killed in the line of duty between July 1, 2002 and June 30, 2013.

<sup>2</sup> Instructional personnel in grades K-12 may defer DROP participation to any age.

For most members achieving DROP entry eligibility via service-only criteria, the window to enter DROP lasts more than 12 months, with the window's length varying by individual. (The window must be at least 12 months in length.) The window for members satisfying service-only eligibility criteria is shown in the table below.

<b>DROP Entry Eligibility Window for Members Satisfying Service-Only Criteria</b>			
<b>Membership Class</b>	<b>Tier</b>	<b>Window Opens</b>	<b>Window Closes</b>
Special Risk	Tier I	25 Years of Service	53 <sup>rd</sup> Birthday <sup>1</sup>
Special Risk	Tier II	30 Years of Service	56 <sup>th</sup> Birthday <sup>1</sup>
All Other Classes	Tier I	30 Years of Service	58 <sup>th</sup> Birthday <sup>1</sup>
All Other Classes	Tier II	33 Years of Service	61 <sup>st</sup> Birthday <sup>1</sup>

<sup>1</sup>Or 12 months after the window opens, if later than the date listed above for the member

Members who do not reach unreduced retirement eligibility through service-only eligibility criteria become eligible to enter DROP upon satisfaction of age-plus-service criteria. For those members, the eligibility window to enter DROP lasts for 12 months.

<b>DROP Entry Eligibility Window for Members Satisfying Age-Plus-Service Criteria</b>			
<b>Membership Class</b>	<b>Tier</b>	<b>Window Opens</b>	<b>Window Closes</b>
Special Risk	Tier I	Age 55 and 6 Years of Service	After 12 months
Special Risk	Tier II	Age 60 and 8 Years of Service	After 12 months
All Other Classes	Tier I	Age 62 and 6 Years of Service	After 12 months
All Other Classes	Tier II	Age 65 and 8 Years of Service	After 12 months

The maximum length of DROP participation is five years. As such, members who satisfy service-only criteria and enter DROP prior to age 60 are required to exit DROP and terminate FRS-covered employment and cease providing services to FRS employers prior to becoming eligible for Medicare benefits at age 65.

**Benefit Amount**

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. The interest credit for those entering the DROP prior to July 1, 2011, is 6.5% annually. For those entering the DROP after that date, it is 1.3% annually. 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. Effective July 1, 2018, K-12 instructional personnel granted extended DROP

participation must complete their DROP at the end of the school year and K-12 school administrators whose DROP participation ends before the end of the school year may have their DROP participation extended to the end of that school year.

#### ***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, the participant is not eligible for a disability benefit.

#### ***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, receive a vested retirement allowance, or receive a disability pension will be entitled to a refund of any employee contributions. The beneficiary of a member who passes 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))

#### **Cost-of-Living Adjustment**

Legislation enacted in 2011 eliminated post-retirement benefit increases on service credit earned on and after July 1, 2011. FRS Pension Plan members who retired before July 1, 2011 receive post-retirement benefit increases of 3% per year. Tier II members (those initially enrolled on and after July 1, 2011) will receive no post-retirement benefit increases. Tier I members (those initially enrolled before July 1, 2011) who retire after July 1, 2011 will receive individual post-retirement benefit increases equal to 3% per year multiplied by a fraction, the numerator of which is service through June 30, 2011 and the denominator of which is total service at retirement. Cost-of-Living Adjustments take effect annually on July 1. A pro-rated rate may apply in the initial year of applicability.

(Section 121.101)

#### **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 final 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, 2021, the minimum monthly benefit is \$35.28 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)

**FRS Investment Plan (IP)**

The FRS Investment Plan (IP) is a defined contribution plan offered to eligible members as an alternative to the FRS Pension Plan. The plan is qualified under sec. 401(a) of the Internal Revenue Code.

**Benefits**

Under the IP, benefits accrue in individual member accounts funded by employer and employee contributions made on or after July 1, 2011, 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 IP 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 reporting 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 IP allocation rates are set forth in the following tables. The allocation rates shown in the first table below do not include the 0.06% charge for FRS Investment Plan administration and education, the separate employer contribution rates assessed

to fund the IP disability program and ILOD survivor benefit program, or the contribution of 1.66% for the financing of the Florida Retiree Health Insurance Subsidy program.

(Sections 121.71, 121.72)

Effective July 1, 2012, the employer allocations to the IP accounts are based on contribution rates as follows:

Classification	2021-2022 Plan Year Rates
Regular	3.30%
Special Risk	11.00%
Special Risk Administrative Support	4.95%
Elected Officers'	
- Judicial	10.23%
- Leg/Atty/Cab	6.38%
- Local	8.34%
Senior Management Service	4.67%

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

Classification	2021-2022 Plan Year Rates
Regular	0.25%
Special Risk	1.33%
Special Risk Administrative Support	0.45%
Elected Officers'	
- Judicial	0.73%
- Leg/Atty/Cab	0.41%
- Local	0.41%
Senior Management Service	0.26%

(Section 121.73)

Effective July 1, 2019 the employer contribution rates to fund the line of duty death benefit under the IP are as follows:

Classification	2021-2022 Plan Year Rates
Regular	0.05%
Special Risk	1.21%
Special Risk Administrative Support	0.03%
Elected Officers'	
- Judicial	0.09%
- Leg/Atty/Cab	0.15%
- Local	0.20%
Senior Management Service	0.05%

(Section 121.735)

**Non-Duty Disability Retirement**

***Eligibility***

Investment Plan 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 IP participant may choose either to retain his/her IP account balance or to surrender his/her account balance to the FRS Pension Plan and receive guaranteed lifetime monthly disability benefits, assuming the member remains disabled.

***Benefit Amount***

If the disabled IP participant chooses to retain his/her account balance, he/she may elect to receive the normal benefit payable under the IP. 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 FRS Pension Plan and is subject to the same threshold benefit amounts.

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

**Line-of-Duty Disability**

***Eligibility***

IP 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 IP member may choose either to retain his/her IP account balance or to surrender his/her account balance to the FRS Pension Plan and receive guaranteed lifetime monthly disability benefits, assuming the member remains disabled.



### ***Benefit Amount***

If the disabled IP participant elects to retain his/her account balance, he/she may elect to receive the normal benefit payable under the IP. 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 FRS Pension Plan and is subject to the same threshold benefit amounts.

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

## **Line-of-Duty Death**

### ***Eligibility***

IP participants are eligible for in-line-of-duty death benefits if they die 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 death benefits. The beneficiary of the IP member may choose either to retain the member's IP account balance or to surrender his/her account balance to the FRS Pension Plan and receive guaranteed monthly death benefits, payable for the life of the surviving spouse or, if the spouse dies or there is no spouse, until the 18<sup>th</sup> birthday of the member's youngest surviving child. Such payments may be extended until the 25<sup>th</sup> birthday of the youngest child of a Special Risk Class member if the child is unmarried and enrolled as a full-time student.

### ***Benefit Amount***

If the beneficiary of the IP participant elects to retain his/her account balance, he/she may elect to receive the normal benefit payable under the IP. If he/she elects to surrender the account balance and receive the annuity from the FRS Pension Plan, the amount of each monthly payment is calculated in the same manner as provided for line-of-duty death benefits under the FRS Pension Plan, and is subject to the same threshold benefit amounts.

(Sections 121.091(7), 121.591(1), (3) and (4))

## **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. The benefit and contribution provisions of the Statutes are set forth in Chapter 238 of the Florida Statutes. Certain provisions are drawn from other sections of the Florida Statutes. TRS retirees are included with the Regular Membership Class in the valuation.

### 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 with the July 1, 2013 valuation, there are no longer any actively employed members of this system. SCOERS retirees are included with the Regular Membership Class in the valuation.

#### 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.

### 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. IFAS retirees are included with the Regular Membership Class in the valuation.

#### 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.

## Appendix C: Membership Data

This valuation is based upon the membership of the Pension Plan as of July 1, 2021.

The membership of the FRS Pension Plan includes employees of the State of Florida and participating political subdivisions. The membership is divided into several categories by membership class and subclass.

Tables C-1 through C-5 present distributions of annuitants (including beneficiaries of deceased members), and potential annuitants (terminated vested members). The tables show the numbers of persons receiving benefits and the total annual benefits.

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

Table C-7 presents a summary by category of active membership, payroll, and accumulated employee contributions.

Tables C-8 through C-17 contain summaries of the active members in each category of membership. Values shown in the tables are the numbers of members and their average annual salaries. Table C-17 is the grand total of active members included in this valuation.

**Table C-1**  
**Florida Retirement System Pension Plan**  
**Annuitants at July 1, 2021**  
**Regular and Early Retirement by Age**

Age	Number of Persons	Annual Benefits (in Thousands)
Under 50	2,124	\$27,118
50 to 54	4,012	134,914
55 to 59	16,021	520,562
60 to 64	46,540	1,201,813
65 to 69	92,193	2,196,092
70 to 74	104,954	2,600,542
75 to 79	74,471	1,822,854
80 & Up	82,419	1,945,664
Total	422,734	\$10,449,559

**Table C-2**  
**Florida Retirement System Pension Plan**  
**Annuitants at July 1, 2021**  
**Disability Retirement by Age**

Age	Number of Persons	Annual Benefits (in Thousands)
Under 50	445	\$8,530
50 to 54	831	15,984
55 to 59	1,788	34,707
60 to 64	2,598	44,433
65 to 69	2,833	50,966
70 to 74	2,309	41,071
75 to 79	1,448	25,807
80 & Up	958	15,941
Total	13,210	\$237,439

**Table C-3**  
**Florida Retirement System Pension Plan**  
**Potential Annuitants at July 1, 2021**  
**Vested Terminated Members by Age for the Regular,**  
**Senior Management Service, and Elected Officers' Classes**

Age	Number of Persons	Annual Benefits (in Thousands) <sup>1</sup>
Under 30	67	\$184
30 to 34	1,684	7,226
35 to 39	6,942	37,832
40 to 44	11,386	71,563
45 to 49	14,507	93,911
50 to 54	20,197	136,049
55 to 59	20,929	150,580
60 & Up	22,260	134,110
Total	97,972	\$631,455

<sup>1</sup> Deferred to Age 62 (Tier 1) or Age 65 (Tier 2)

**Table C-4**  
**Florida Retirement System Pension Plan**  
**Potential Annuitants at July 1, 2021**  
**Vested Terminated Members by Age for the**  
**Special Risk & Special Risk Administrative Support Classes**

Age	Number of Persons	Annual Benefits (in Thousands) <sup>2</sup>
Under 30	5	\$45
30 to 34	267	3,038
35 to 39	765	9,834
40 to 44	942	13,194
45 to 49	1,321	18,018
50 to 54	1,439	21,159
55 to 59	488	6,291
60 & Up	273	3,274
Total	5,500	\$74,853

<sup>2</sup> Deferred to Age 55 (Tier 1) or Age 60 (Tier 2)

**Table C-5**  
**Florida Retirement System Pension Plan**  
**Annuitants and Potential Annuitants at July 1, 2021**  
**All Types of Retirement by System**

System	Annuitants	Potential Annuitants	Total
<b>Number of Persons</b>			
Regular	387,056	96,406	483,462
Senior Management Service	5,529	1,233	6,762
Special Risk	40,519	5,487	46,006
Special Risk Administrative	160	13	173
EOC: Judicial	992	51	1,043
EOC: Legislative/Attorneys/Cabinet	225	89	314
EOC: Local	1,463	193	1,656
<b>Total</b>	435,944	103,472	539,416
<b>Annual Benefits (in Thousands)</b>			
Regular	\$8,225,647	\$599,136	\$8,824,783
Senior Management Service	301,689	25,510	327,199
Special Risk	1,986,364	74,722	2,061,086
Special Risk Administrative	7,042	131	7,173
EOC: Judicial	101,692	2,952	104,644
EOC: Legislative/Attorneys/Cabinet	9,755	1,466	11,221
EOC: Local	54,809	2,391	57,200
<b>Total</b>	\$10,686,998	\$706,308	\$11,393,306

**Table C-6**  
**Florida Retirement System Pension Plan**  
**Annuitants at July 1, 2021**  
**DROP Members**

Age	Number of Persons	Annual Benefits (in Thousands)
Under 50	335	\$26,413
50 to 54	2,343	141,139
55 to 59	8,299	341,966
60 to 64	15,280	405,081
65 to 69	7,250	152,390
70 to 74	227	4,998
75 to 79	28	477
80 & Up	8	178
<b>Total</b>	<b>33,770</b>	<b>\$1,072,642</b>

**Table C-7**  
**Florida Retirement System Pension Plan**  
**Summary of Active Members at July 1, 2021**

System	Number of Persons	Annual Salary (in Thousands) <sup>1</sup>	Accumulated Employee Contributions (in Thousands)
Regular	386,086	\$18,824,930	\$3,822,345
Senior Management Service	5,400	542,747	110,514
Special Risk	64,197	4,394,022	805,333
Special Risk Administrative	70	3,314	876
EOC: Judicial	685	109,161	22,696
EOC: Legislative/Attorneys/Cabinet	91	5,355	1,115
EOC: Local	714	42,022	8,393
Teachers' Retirement System (TRS)	5	470	1,839
Institute of Food and Agricultural Sciences (IFAS)	1	140	0
<b>Total</b>	<b>457,249</b>	<b>\$23,922,161</b>	<b>\$4,773,111</b>

<sup>1</sup> The salary shown in Tables C-7 through C-17 represents the salaries of the FRS DB plan members on July 1, 2021. The payroll on which normal costs are determined (\$24,462,645,000) equals the salaries for these DB plan members (excluding TRS and IFAS), adjusted to the middle of the plan year. The payroll on which UAL costs are charged additionally includes the payroll of certain other groups, and is described in Section 4 of the report.

**Table C-8**  
**Florida Retirement System Pension Plan**  
**Member Counts and Average Salaries at July 1, 2021**  
**Regular Class**

Count	Years of Service											All Years	
	Age	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50		50 & Up
	Under 20	597											597
	20 to 24	6,667	185										6,852
	25 to 29	14,244	6,120	56									20,420
	30 to 34	13,284	17,860	3,336	142								34,622
	35 to 39	10,797	14,911	11,621	4,708	129							42,166
	40 to 44	9,376	12,023	9,549	13,680	3,997	76						48,701
	45 to 49	8,400	10,594	8,250	11,550	11,572	3,153	82					53,601
	50 to 54	8,333	10,469	8,805	11,455	11,604	10,593	2,618	82				63,959
	55 to 59	7,184	9,080	8,147	10,977	10,842	9,220	4,380	767	14			60,611
	60 to 64	3,924	6,255	5,642	7,291	6,990	5,436	1,682	932	147	3		38,302
	65 & Up	1,763	3,072	3,084	3,298	2,079	1,223	783	458	325	124	46	16,255
<b>Total Count</b>		84,569	90,569	58,490	63,101	47,213	29,701	9,545	2,239	486	127	46	386,086

Average Salary (\$)	Years of Service											All Years	
	Age	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50		50 & Up
	Under 20	13,289											13,289
	20 to 24	25,252	29,234										25,360
	25 to 29	35,903	41,719	42,358									37,664
	30 to 34	37,636	46,277	49,052	45,737								43,227
	35 to 39	38,495	46,677	53,089	54,569	56,440							47,260
	40 to 44	38,250	45,370	52,381	58,173	59,411	62,009						50,148
	45 to 49	37,988	44,468	49,894	55,989	62,895	65,175	67,896					52,002
	50 to 54	37,874	43,332	48,287	53,172	59,177	68,690	68,391	65,130				53,194
	55 to 59	36,464	41,859	46,164	50,489	54,432	63,331	72,676	66,669	70,605			51,424
	60 to 64	35,052	40,257	46,068	49,442	52,581	59,603	66,579	73,097	62,572	46,782		49,364
	65 & Up	24,481	34,953	43,367	48,394	50,705	57,151	62,466	74,981	83,479	89,447	101,253	45,852
<b>Avg. Annual Salary</b>		35,938	44,085	49,405	53,712	57,661	64,498	69,548	70,989	76,784	88,439	101,253	48,758

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**Table C-9**  
**Florida Retirement System Pension Plan**  
**Member Counts and Average Salaries at July 1, 2021**  
**Special Risk Class**

Count	Years of Service											All Years	
	Age	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50		50 & Up
	Under 20	132											132
	20 to 24	4,371	28	1									4,400
	25 to 29	7,616	2,359	8									9,983
	30 to 34	4,928	5,058	1,383	27								11,396
	35 to 39	2,211	2,835	3,091	1,778	20							9,935
	40 to 44	1,162	1,328	1,893	3,134	1,124	10						8,651
	45 to 49	788	775	1,308	2,329	2,591	608	4					8,403
	50 to 54	634	632	900	1,632	2,018	1,033	143	1				6,993
	55 to 59	339	425	502	629	427	289	146	15				2,772
	60 to 64	113	173	242	285	192	118	50	20	2			1,195
	65 & Up	18	40	71	94	51	18	22	13	7	3		337
<b>Total Count</b>		22,312	13,653	9,399	9,908	6,423	2,076	365	49	9	3		64,197

Average Salary (\$)	Years of Service											All Years	
	Age	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50		50 & Up
	Under 20	28,064											28,064
	20 to 24	41,795	51,211	45,917									41,856
	25 to 29	48,690	57,916	65,348									50,884
	30 to 34	50,191	64,273	70,842	69,860								58,994
	35 to 39	50,761	65,440	80,485	88,846	76,459							71,065
	40 to 44	50,686	64,483	80,112	91,346	93,658	105,463						79,620
	45 to 49	51,959	61,499	76,901	90,894	97,450	97,408	113,378					84,857
	50 to 54	52,900	66,043	75,159	88,974	94,051	96,301	96,824	78,738				84,559
	55 to 59	51,294	65,546	74,000	83,972	85,831	82,856	85,639	84,368				75,605
	60 to 64	49,427	67,411	71,265	81,603	87,146	84,750	84,344	93,837	82,467			75,934
	65 & Up	49,745	59,843	66,785	86,767	82,795	93,891	90,347	79,991	114,823	148,136		78,265
<b>Avg. Annual Salary</b>		48,137	63,401	77,278	89,550	94,456	94,120	90,432	86,957	107,633	148,136		68,446

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**Table C-10**  
**Florida Retirement System Pension Plan**  
**Member Counts and Average Salaries at July 1, 2021**  
**Special Risk Administrative Support Class**

Age	Years of Service											All Years
	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 & Up	
Under 20												
20 to 24												
25 to 29		1										1
30 to 34			1									1
35 to 39		1	8	7								16
40 to 44			5	3	1							9
45 to 49			4	5	11	3						23
50 to 54				4	6	3	1					14
55 to 59			2	1		1						4
60 to 64				2								2
65 & Up												
<b>Total Count</b>		2	20	22	18	7	1					70

Age	Years of Service											All Years
	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 & Up	
Under 20												
20 to 24												
25 to 29		43,352										43,352
30 to 34			43,370									43,370
35 to 39		44,180	41,594	45,602								43,509
40 to 44			40,681	48,068	43,855							43,496
45 to 49			39,441	42,117	48,287	63,295						47,365
50 to 54				46,568	48,505	70,402	60,720					53,516
55 to 59			45,560	60,426		63,908						53,863
60 to 64				42,566								42,566
65 & Up												
<b>Avg. Annual Salary</b>		43,766	41,421	45,719	48,113	66,428	60,720					47,336

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**Table C-11**  
**Florida Retirement System Pension Plan**  
**Member Counts and Average Salaries at July 1, 2021**  
**Elected Officers' Class: Judicial Subclass**

Count		Years of Service										
Age	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 & Up	All Years
Under 20												
20 to 24												
25 to 29												
30 to 34	2											2
35 to 39	14	6	10									30
40 to 44	14	19	11	9								53
45 to 49	18	20	16	22	18							94
50 to 54	19	23	26	28	32	24						152
55 to 59	7	32	25	22	27	27	12					152
60 to 64	3	17	32	22	31	18	11	4	1			139
65 & Up	1	8	14	18	9	7	2	2	2			63
<b>Total Count</b>	<b>78</b>	<b>125</b>	<b>134</b>	<b>121</b>	<b>117</b>	<b>76</b>	<b>25</b>	<b>6</b>	<b>3</b>			<b>685</b>

Average Salary (\$)		Years of Service										
Age	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 & Up	All Years
Under 20												
20 to 24												
25 to 29												
30 to 34	155,238											155,238
35 to 39	144,871	141,762	153,653									147,177
40 to 44	149,442	159,722	159,762	153,239								155,914
45 to 49	147,366	161,342	160,033	160,706	158,142							157,681
50 to 54	140,631	158,939	156,792	160,744	160,076	162,431						157,407
55 to 59	149,876	162,809	158,088	164,690	161,026	163,297	159,760					161,238
60 to 64	162,062	153,758	162,887	163,480	163,948	159,771	162,656	162,038	155,238			161,582
65 & Up	164,304	165,437	163,656	163,297	172,118	173,055	159,771	164,304	164,304			165,961
<b>Avg. Annual Salary</b>	<b>146,860</b>	<b>159,320</b>	<b>159,603</b>	<b>161,773</b>	<b>161,950</b>	<b>163,087</b>	<b>161,035</b>	<b>162,793</b>	<b>161,282</b>			<b>159,359</b>

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**Table C-12**  
**Florida Retirement System Pension Plan**  
**Member Counts and Average Salaries at July 1, 2021**  
**Elected Officers' Class: Legislators/Attorney/Cabinet Subclass**

Age	Years of Service											All Years
	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 & Up	
Under 20												
20 to 24												
25 to 29	1											1
30 to 34	6	1										7
35 to 39	3	6	1									10
40 to 44	6	3	2	1								12
45 to 49	4	1	3	4	2	1						15
50 to 54	2	4	2	4	3	1	1					17
55 to 59	2	1	2	2		1	1					9
60 to 64	1	2	3		1	2		1	1			11
65 & Up	1	1	3	1	2	1						9
<b>Total Count</b>	26	19	16	12	8	6	2	1	1			91

Age	Years of Service											All Years
	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 & Up	
Under 20												
20 to 24												
25 to 29	29,697											29,697
30 to 34	36,325	29,697										35,378
35 to 39	26,069	38,215	139,306									44,680
40 to 44	27,883	29,697	29,697	29,697								28,790
45 to 49	29,605	29,697	108,195	117,964	29,697	37,389						69,423
50 to 54	29,513	29,697	29,292	82,311	166,958	170,624	173,369					82,971
55 to 59	29,697	29,697	24,624	29,697		173,369	194,172					62,808
60 to 64	29,328	24,624	29,697		173,369	156,725		173,369	29,697			77,959
65 & Up	29,697	29,697	29,697	29,697	101,533	29,697						45,661
<b>Avg. Annual Salary</b>	30,347	31,853	50,581	76,657	117,088	120,755	183,771	173,369	29,697			58,849

**Table C-13**  
**Florida Retirement System Pension Plan**  
**Member Counts and Average Salaries at July 1, 2021**  
**Elected Officers' Class: Local Subclass**

Count		Years of Service										
Age	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 & Up	All Years
Under 20												
20 to 24												
25 to 29	1	1										2
30 to 34	6	5	1									12
35 to 39	18	10	9	2								39
40 to 44	27	14	7	7	4							59
45 to 49	28	14	19	14	14	6	1					96
50 to 54	27	29	24	13	14	16	11	2				136
55 to 59	26	22	17	10	18	8	13	1				115
60 to 64	25	23	15	16	12	9	5	1				106
65 & Up	24	26	28	29	16	12	5	5	3	1		149
<b>Total Count</b>	182	144	120	91	78	51	35	9	3	1		714

Average Salary (\$)		Years of Service										
Age	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 & Up	All Years
Under 20												
20 to 24												
25 to 29	3,000	8,652										5,826
30 to 34	41,856	30,236	8,131									34,204
35 to 39	29,994	35,550	51,887	70,258								38,536
40 to 44	44,585	39,592	79,516	74,339	93,388							54,383
45 to 49	38,219	57,115	69,139	66,600	86,632	111,498	28,215					62,769
50 to 54	56,149	39,155	64,346	75,719	65,132	85,341	119,853	119,135				66,280
55 to 59	43,819	38,034	67,219	90,777	93,767	102,132	86,242	159,848				67,934
60 to 64	52,641	47,527	51,038	59,284	80,070	74,851	65,143	144,489				58,755
65 & Up	36,357	50,792	50,599	54,400	49,862	44,570	104,172	102,667	83,268	3,600		52,401
<b>Avg. Annual Salary</b>	43,472	43,439	60,123	66,061	76,214	79,608	94,695	117,327	83,268	3,600		58,854

**Table C-14**  
**Florida Retirement System Pension Plan**  
**Member Counts and Average Salaries at July 1, 2021**  
**Senior Management Service Class**

Count		Years of Service										
Age	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 & Up	All Years
Under 20												
20 to 24	2											2
25 to 29	233	9										242
30 to 34	264	254	14	1								533
35 to 39	98	234	191	53	3							579
40 to 44	64	111	144	218	61	2						600
45 to 49	65	84	93	175	264	83	6					770
50 to 54	57	79	101	175	260	297	78	3				1,050
55 to 59	63	84	87	129	140	242	112	21	1			879
60 to 64	31	67	57	96	76	94	35	28	4			488
65 & Up	7	27	45	52	48	26	24	15	8	5		257
<b>Total Count</b>	884	949	732	899	852	744	255	67	13	5		5,400

Average Salary (\$)		Years of Service										
Age	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 & Up	All Years
Under 20												
20 to 24	17,048											17,048
25 to 29	49,543	70,755										50,331
30 to 34	53,620	64,426	76,462	69,846								59,400
35 to 39	63,403	71,667	84,634	85,903	79,694							75,890
40 to 44	78,696	82,316	89,591	96,206	100,730	81,707						90,593
45 to 49	97,768	115,144	105,345	104,618	104,836	103,535	112,083					105,292
50 to 54	114,496	107,475	99,806	112,017	110,467	124,383	120,034	124,618				114,381
55 to 59	113,416	116,496	112,688	115,527	112,525	119,630	133,158	112,318	122,169			118,016
60 to 64	114,060	126,650	127,069	114,046	124,973	123,583	127,523	137,773	85,613			122,932
65 & Up	91,448	141,162	142,946	116,954	137,254	127,234	164,701	163,486	150,785	240,209		138,811
<b>Avg. Annual Salary</b>	69,214	87,622	100,401	106,162	111,058	120,395	130,843	134,962	128,531	240,209		100,509

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**Table C-15**  
**Florida Retirement System Pension Plan**  
**Member Counts and Average Salaries at July 1, 2021**  
**TRS – Teachers’ Retirement System**

Count	Years of Service											All Years	
	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 & Up		
Age													
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												5	5
<b>Total Count</b>												5	5

Average Salary (\$)	Years of Service											All Years	
	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 & Up		
Age													
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												94,033	94,033
<b>Avg. Annual Salary</b>												94,033	94,033

**Table C-16**  
**Florida Retirement System Pension Plan**  
**Member Counts and Average Salaries at July 1, 2021**  
**IFAS – Institute of Food and Agricultural Sciences**

Count	Years of Service											All Years
	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 & Up	
Age												
Under 20												
20 to 24												
25 to 29												
30 to 34												
35 to 39												
40 to 44												
45 to 49												
50 to 54												
55 to 59												
60 to 64												
65 & Up									1			1
<b>Total Count</b>									1			1

Average Salary (\$)	Years of Service											All Years
	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 & Up	
Age												
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									140,108			140,108
<b>Avg. Annual Salary</b>									140,108			140,108



**Table C-17**  
**Florida Retirement System Pension Plan**  
**Member Counts and Average Salaries at July 1, 2021**  
**Grand Totals of All Active Participants**

Count												
		Years of Service										
Age	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 & Up	All Years
Under 20	729											729
20 to 24	11,040	213	1									11,254
25 to 29	22,095	8,490	64									30,649
30 to 34	18,490	23,178	4,735	170								46,573
35 to 39	13,141	18,003	14,931	6,548	152							52,775
40 to 44	10,649	13,498	11,611	17,052	5,187	88						58,085
45 to 49	9,303	11,488	9,693	14,099	14,472	3,854	93					63,002
50 to 54	9,072	11,236	9,858	13,311	13,937	11,967	2,852	88				72,321
55 to 59	7,621	9,644	8,782	11,770	11,454	9,788	4,664	804	15			64,542
60 to 64	4,097	6,537	5,991	7,712	7,302	5,677	1,783	986	155	3		40,243
65 & Up	1,814	3,174	3,245	3,492	2,205	1,287	836	494	345	133	51	17,076
<b>Total Count</b>	<b>108,051</b>	<b>105,461</b>	<b>68,911</b>	<b>74,154</b>	<b>54,709</b>	<b>32,661</b>	<b>10,228</b>	<b>2,372</b>	<b>515</b>	<b>136</b>	<b>51</b>	<b>457,249</b>
Average Salary (\$)												
		Years of Service										
Age	Under 5	5 to 10	10 to 15	15 to 20	20 to 25	25 to 30	30 to 35	35 to 40	40 to 45	45 to 50	50 & Up	All Years
Under 20	15,964											15,964
20 to 24	31,800	32,123	45,917									31,808
25 to 29	40,453	46,247	45,232									42,068
30 to 34	41,224	50,399	55,488	49,710								47,271
35 to 39	40,844	49,979	59,230	64,125	59,533							52,104
40 to 44	40,006	47,706	57,473	64,809	67,341	67,395						55,051
45 to 49	39,798	46,351	54,304	62,545	69,973	71,150	72,276					57,212
50 to 54	39,673	45,282	51,589	58,590	65,440	72,675	71,462	68,540				57,365
55 to 59	37,888	43,945	48,768	53,236	56,626	65,619	74,822	68,308	74,042			53,659
60 to 64	36,245	42,177	48,484	51,779	54,777	61,561	68,863	75,889	63,809	46,782		51,465
65 & Up	25,227	36,627	45,829	51,085	53,867	59,572	66,617	78,574	86,142	95,793	100,545	48,411
<b>Avg. Annual Salary</b>	<b>38,821</b>	<b>47,111</b>	<b>53,979</b>	<b>59,329</b>	<b>63,068</b>	<b>67,918</b>	<b>72,152</b>	<b>73,606</b>	<b>79,068</b>	<b>94,712</b>	<b>100,545</b>	<b>52,318</b>

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## Appendix D: Projections

Table D-1 presents a projection of total costs of the employers covered by the FRS Pension Plan (exclusive of the Investment Plan) during the five-year period following the actuarial valuation date, July 1, 2021. The contributions shown beginning with plan year 2022-2023 are based on the assumption that the contribution levels calculated in this report are extended throughout the projection period. The contributions shown for plan year 2021-2022 are based on the legislated rates (before blending) on page B-3 of this report.

Table D-2 reflects, for each membership class and DROP, the outstanding UAL balance of all amortization bases combined as of July 1, 2021. The table develops the associated duration of the amortization of the combined amortization bases.

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

Table D-3 estimates the UAL payment / (available surplus) for the next three plan years based on Florida law. The estimates are projections of the July 1, 2021 valuation results, and assume experience occurs as stated in the July 1, 2021 valuation.

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

**Table D-1**  
**Florida Retirement System Pension Plan**  
**Projection of Retirement Costs (Excluding Member Contributions)**  
**July 1, 2021**  
**Based on Contribution Rates Before Blending**

(\$ in Millions)

	2021 -2022	2022 -2023	2023 -2024	2024 -2025	2025 -2026
A. Employer Normal Cost <sup>1</sup>	\$1,959	\$2,152	\$2,222	\$2,294	\$2,368
B. UAL Payment / (Surplus Utilization) <sup>2</sup>	\$2,151	\$2,309 <sup>2</sup>	\$2,384 <sup>2</sup>	\$2,461 <sup>2</sup>	\$2,541 <sup>2</sup>
C. Total	\$4,110	\$4,461	\$4,606	\$4,755	\$4,909

<sup>1</sup> Includes DROP contributions on behalf of DROP members.

<sup>2</sup> UAL Payment increase is based on assumed increasing payroll, but does not reflect the recognition and funding of deferred investment gains/losses.

**Table D-2**  
**Florida Retirement System Pension Plan**  
**Funding of UAL by Duration of Amortization**  
**July 1, 2021**  
 (\$ in thousands)

	<u>Regular</u>	<u>Special Risk</u>	<u>Special Risk Administrative</u>	<u>-- Elected Officers' Class --</u>			<u>Senior Management</u>	<u>DROP</u>
			<u>Judicial</u>	<u>Leg-Atty-Cab</u>	<u>Local</u>			
Valuation Date Outstanding UAL Balance	\$20,187,663	\$7,938,690	\$16,278	\$535,788	\$72,136	\$421,656	\$2,512,289	\$3,053,094
UAL Contribution Rate (see Table 4-11)	5.52%	11.16%	36.66%	33.24%	80.39%	63.41%	31.03%	9.15%
Projected UAL Payroll PY 2022 - 2023 <sup>1</sup>	\$23,632,063	\$4,683,880	\$3,485	\$115,595	\$6,489	\$49,133	\$589,858	\$2,419,435
Annual Payment for PY 2022 - 2023	\$1,305,549	\$522,916	\$1,278	\$38,427	\$5,216	\$31,158	\$183,010	\$221,280
Amortization Period in Years Calculated Assuming								
Level Dollar	66	55	24	34	32	30	31	31
Level Percent of Payroll	21	21	16	18	18	18	18	18

<sup>1</sup> The UAL payroll shown here includes salaries for defined contribution program members who pay only the UAL contribution rate, but excludes FRS Investment Plan Payroll.

**Table D-3**  
**Florida Retirement System Pension Plan**  
**Projected Annual Payments of UAL Amortization Bases<sup>1</sup>**  
**July 1, 2021**

Projected PY 2022-2023 and Forward Based on 07/01/2021 Valuation Results and 07/01/2021 Assets

	<u>2022 - 2023</u>	<u>2023 - 2024</u>	<u>2024 - 2025</u>
1 Estimated Surplus Available Rate Stabilization Mechanism <sup>2</sup>	\$0.0	\$0.0	\$0.0
2 (Increase)/Decrease in Available Surplus from prior year	\$0.0	\$0.0	\$0.0
<b>UAL Bases</b>			
3 1993 - 1998 Experience Study Assumption Changes <sup>3</sup>	(\$42.2)	(\$43.6)	(\$45.0)
4 Special Risk Minimum In-Line-of-Duty Disability Increased to 65% <sup>4</sup>	(\$0.3)	(\$0.3)	(\$0.3)
5 12% Increase in Special Risk benefits (in pay status before 07/01/2000) <sup>5</sup>	\$33.3	\$34.4	\$35.5
6 1998 - 2003 Experience Study Assumption Changes <sup>5</sup>	(\$309.8)	(\$319.9)	(\$330.3)
7 2003 - 2008 Experience Study Assumption Changes	\$518.6	\$535.5	\$552.9
8 2009 Experience (Gain)/Loss	\$1,627.5	\$1,680.4	\$1,735.0
9 Unrecognized (Gains)/Losses while in Surplus	(\$476.1)	(\$491.5)	(\$507.5)
10 2009 Plan Change (House Bill 479)	(\$98.4)	(\$101.6)	(\$104.9)
11 2010 Experience (Gain)/Loss	\$85.7	\$88.5	\$91.4
12 2010 Plan Change (Senate Bill 2100)	(\$93.9)	(\$96.9)	(\$100.1)
13 2011 Experience (Gain)/Loss	\$203.0	\$209.6	\$216.4
14 2012 Experience (Gain)/Loss	(\$8.2)	(\$8.5)	(\$8.8)
15 2013 Experience (Gain)/Loss	\$208.2	\$215.0	\$221.9
16 2008 - 2013 Experience Study Assumption/Method Changes	\$150.1	\$155.0	\$160.0
17 2014 Experience (Gain)/Loss	(\$203.6)	(\$210.2)	(\$217.0)
18 2015 Experience (Gain)/Loss	\$41.8	\$43.1	\$44.5
19 Special Risk 100% In-Line-Of-Duty Death (2016)	\$3.2	\$3.3	\$3.4
20 2016 Assumption Changes	\$84.5	\$87.3	\$90.1
21 2016 Experience (Gain)/Loss	\$93.1	\$96.1	\$99.3
22 Special Risk 100% In-Line-Of-Duty Death (2017)	\$6.7	\$6.9	\$7.1
23 2017 Assumption Changes	\$166.3	\$171.7	\$177.3
24 2016-2017 Experience (Gains) / Losses	\$36.7	\$37.9	\$39.1
25 2018 Assumption Changes	\$170.3	\$175.8	\$181.5
26 2017-2018 Experience (Gains) / Losses	(\$57.2)	(\$59.0)	(\$61.0)
27 Special Risk Cancer Presumption Disability and Death (2019)	\$0.8	\$0.9	\$0.9
28 2019 Assumption Changes	\$306.5	\$316.5	\$326.8
29 2019 Method Changes	(\$380.5)	(\$372.2)	(\$363.4)
30 2018-2019 Experience (Gains) / Losses	(\$30.6)	(\$31.6)	(\$32.6)
31 2020 Assumption Changes	\$292.7	\$302.2	\$312.1
32 2019-2020 Experience (Gains) / Losses	\$121.2	\$125.1	\$129.2
33 2021 Assumption Changes	\$0.0	\$0.0	\$0.0
34 2021 Experience (Gain)/Loss	(\$140.9)	(\$145.5)	(\$150.2)
<b>Subtotal [(3) through (34)]</b>	<b>\$2,308.5</b>	<b>\$2,404.4</b>	<b>\$2,503.3</b>
35 Across the Board Rate Reduction of 0% <sup>6</sup>	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
<b>Total [Subtotal + (35)]</b>	<b>\$2,308.5</b>	<b>\$2,404.4</b>	<b>\$2,503.3</b>
36 UAL payment / (Surplus Available) [(1) + Total] =	\$2,308.5	\$2,404.4	\$2,503.3

1 Numbers exclude contributions to the Investment Plan.

2 Projected surplus based on 07/01/2021 valuation results. Using amortization method that reflects interest.

3 In the absence of a surplus there is an additional charge or credit to each class. See Tables 4-2 through 4-10 for details.

4 In the absence of a surplus there is an additional cost to the Special Risk Administrative Class of 0.15% and an additional cost to the Special Risk Class of -0.01% attributable to the Increase in Minimum ILOD Disability Benefit.

5 In the absence of a surplus there is an additional cost to the Special Risk Class of 0.71% attributable to the 12% increase in pre-2000 retired benefits.

6 No surplus available for rate reduction.

## Appendix E: Comparisons/Reconciliation

This Appendix contains certain comparative information required by the state. Table E-1 compares actual investment return, aggregate payroll growth, and individual salary increases with the actuarial assumptions.

Table E-2 reconciles the flow of participants from the 2020 actuarial valuation to the 2021 actuarial valuation, while Table E-3 cross-references the required sections of 112.64 with this report.

**Table E-1**  
**Florida Retirement System Pension Plan**  
**One-Year Comparisons**

**1. Annual Rate of Investment Return on Actuarial Value of Assets**

Period	Actual	Assumed
July 2018 to June 2019	7.82%	7.40%
July 2019 to June 2020	6.77%	7.20%
July 2020 to June 2021	11.23%	7.00%

**2. Annual Rate of Pension Plan Payroll Growth (Excludes IP Payroll)**

Period	Actual <sup>1</sup>	Assumed <sup>1</sup>
July 2018 to June 2019	0.58%	3.25%
July 2019 to June 2020	1.20%	3.25%
July 2020 to June 2021	-0.23%	3.25%

**3. Annual Rate of UAL Payroll Growth**

Period	Actual	Assumed
July 2018 to June 2019	2.46%	3.25%
July 2019 to June 2020	3.42%	3.25%
July 2020 to June 2021	1.57%	3.25%

**4. Average Rate of Annual Salary Increase for Continuing Active Pension Plan Members**

Year Ended June 30	Rate of Increase During Year					
	Regular		Special Risk		Composite Pension Plan	
	Actual	Assumed <sup>2</sup>	Actual	Assumed <sup>2</sup>	Actual	Assumed <sup>2</sup>
2019	4.3%		6.8%			4.6%
2020	6.0%	4.5%	6.0%	5.3%	6.0%	4.6%
2021	4.6%	4.3%	8.1%	5.1%	5.2%	4.4%

<sup>1</sup> The payroll base compared is used for UAL cost calculations and includes payroll for DROP members and certain defined contribution plan participants for whom only UAL contributions are due, but excludes FRS Investment Plan Payroll.

<sup>2</sup> Individual rates of salary increase vary by service and membership class. Single assumed rates shown above reflect the population and assumptions adopted with the 2014 experience study for the year ending June 30, 2019. The most recent experience study was for the period July 1, 2013 through June 30, 2018. The assumptions adopted as a result of that study are effective July 1, 2019 and are reflected for the years ending June 30, 2020 and June 30, 2021. Effective July 1, 2020 the assumption for merit based salary increases were lowered by 0.2% and are first reflected in this table for the year ending June 30, 2021. Assumed rates beginning with the year ended June 30, 2020 are weighted by individual member salaries, rather than headcount.

**Table E-2**  
**Florida Retirement System Pension Plan**  
**Data Reconciliation**

	Active Participants	Disabled Participants	Retired Participants and Beneficiaries	DROP	Terminated Vested Participants	Total
Number reported as of July 1, 2020	477,495	13,641	414,755	35,240	103,458	1,044,589
New Entrants <sup>1</sup>	42,618	0	0	0	0	42,618
Exits from Active Status <sup>2</sup> or DROP	(54,500)	188	16,776	(9,856)	7,531	(39,861)
DROP Entry	(8,364)	0	0	8,364	0	0
Cessation of benefit payments	NA	(765)	(15,137)	0	0	(15,902)
Other reported status changes, including changes from Terminated Vested status	0	146	6,340	22	(7,517)	(1,009)
Number reported as of July 1, 2021	457,249	13,210	422,734	33,770	103,472	1,030,435

<sup>1</sup> Includes rehires

<sup>2</sup> Includes retirement, vested termination, IP transfer, non-vested termination and death



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

<u>Code Ref</u>		<u>Page/Section</u>
<b>1 General Information:</b>		
1.003 (3g)	Includes certification by the enrolled actuary (signed and dated)?	Cover Letter
1.003 (11)	Do procedures follow commonly accepted procedures and determinations?	Cover Letter
1.003 (4g)	Disclosure of events not taken into account by actuary?	Cover Letter
1.003 (4g)	Disclosure of trends not assumed to continue (by actuary)?	Executive Summary
<b>2 Assumptions:</b>		
1.003 (3e)	Description and explanation of all actuarial assumptions?	Appendix A
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?	Appendix A
1.003 (6)	Is impact of inflation considered?	A-3
1.003 (6)	Any consistent experience gains or losses to suggest assumption changes?	No
1.003 (7)	Listing of changed assumptions?	A-18
<b>3 Plan Provisions &amp; Funding Method:</b>		
1.003 (4c)	Contain a summary of plan provisions?	Appendix B
1.003 (4d)	Contain a detailed summary of funding method?	Appendix A
1.003 (5)	Does funding method provide a contribution sufficient to meet the NC and amortize the UAL?	Section 4
<b>4 Assets &amp; Method:</b>		
1.003 (3a)	Is the MVA breakdown included (by cash, bonds, stocks, and other)?	2-2
1.003 (3a)	Is the "statement value" breakdown included?	No
1.003 (3a)	Is the derivation of AVA included?	2-3
1.003 (8)	Are administrative expenses being paid on a current basis?	2-1
	Asset reconciliation, including:	<b>Exhibit</b>
1.003 (4j)	- contributions by source	2-1
1.003 (4j)	- interest and dividends	2-1
1.003 (4j)	- realized gains / (losses)	2-1
1.003 (4j)	- unrealized appreciation	2-1
1.003 (4j)	- pension payments	2-1
1.003 (4j)	- contribution refunds	2-1
1.003 (4j)	- expenses	2-1
1.003 (4j)	- other receipts (identified)	2-1 (transfer)
1.003 (4j)	- other disbursements (identified)	2-1 (IP)

<u>Code Ref</u>		<u>Page/Section</u>
	<b>5 UAL &amp; Amortization Schedule:</b>	<b>Exhibit</b>
1.003 (3b)	Include a plan to amortize any UAL?	4-2 & D-3
	Does amortization schedule of UAL exist (as of the valuation date) ...	<b>Page</b>
1.003 (3c)	- on an annual basis for the next 3-years?	Exhibit D-3
1.003 (3c)	- for the final year?	No
1.003 (3c)	Is a statement as to how method was derived included?	A-2
1.003 (3d)	Is a description of actions taken to reduce the UAL included?	Section 4 Exec Summary
	Reconciliation of UAL (must include items below):	<b>Exhibit</b>
1.003 (4h)	- UAL for prior valuation (w/ start date)	Page 6
1.003 (4h)	- Normal Cost, contributions, & accrued interest	Page 6
1.003 (4h)	- Impact of changes (assumption, funding method, amendments, gain/loss)	4-2—4-10
1.003 (4h)	- UAL for current valuation	4-2—4-10
	<b>6 Results:</b>	<b>Exhibit</b>
1.003 (4a)	Valuation Date clearly indicated?	Page 1
1.003 (4e)	Are results separated by employee group?	3-2 and Sections 4 & 5
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?	Cover Letter
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)	Appendix C
	- assets (market and actuarial)	2-2, 2-3
	- PVB (split: active by decrement, tv, ret & ben, dis, and total)	3-2
	- PV of future benefit payments	3-2
	- AL and UAL, i.e., including amount, date, amortization period	3-2, 4-2
	- PVVB (by group), non-vested PVAB, Total PVAB	5-1, 5-2
1.003 (4l)	Reconciliation of PVAB, including:	
	- PVAB at beginning of year	5-3
	- changes due to amendment and/or assumptions	5-3
	- change due to decrease in discount period and benefits accrued	5-3
	- Benefits paid	5-3
	- Other changes	5-3
	- Net increase (decrease)	5-3
	- PVAB at end of year	5-3
1.003 (4l)	Pension Cost	
	- Normal cost (shown for each benefit and amount for admin expense)	4-1
	- Payment to amortize UAL	4-2—4-10
	- Expected plan sponsor contribution (i.e. total of above pieces with interest, also as % of pay)	4-11
	- Amount to be contributed by members (total and % of pay)	Pages B-3—B-4
1.003 (4l)	Past Contributions	
	- Required plan sponsor & member contribution	4-12

<u>Code Ref</u>		<u>Page/Section</u>
	- Actual contributions made by plan sponsor, members, other	4-12
1.003 (4k)	Active member accumulated contributions with interest	5-2
1.003 (4l)	Net actuarial gain / loss	4-2—4-10
1.003 (4l)	Other (PVFS & PVFC at attained age and at entry age, PVFC from other sources, PVF Expected BP)	3-2
	<b>7 Data:</b>	<b>Exhibit</b>
1.003 (4i)	Are membership demographics and financial statistics included?	Appendix C
1.003 (4i)	Age/service table for actives included?	C-7—C-17
1.003 (4i)	Data reconciliation?	E-2
	<b>8 Contribution Rate:</b>	<b>Page</b>
1.003 (4a)	Applicable beginning and ending dates for recommended contribution indicated?	4
1.003 (4b)	Are ER and EE contribution rates adequate to meet benefits?	4
1.003 (4b)	Are contribution rate changes necessary to achieve or preserve funding?	Yes, Executive Summary and Exhibit 4-11
1.003 (7)	Is the impact of assumption or cost method changes indicated?	7, Exhibit 3-1
1.003 (9)	Were costs to be paid at a later date adjusted for interest and/or salary?	Yes 3—4
1.003 (10)	Is the effective date of recommended changes no later than the next fiscal year?	Yes 3—4

## Appendix F: Risk Disclosure

The purpose of this appendix is to identify, assess, and provide illustrations of risks that are significant to the Plan, and in some cases to the Plan's members.

In addition, as plans mature, they accumulate larger pools of assets and liabilities. This increases the potential risk to plan funding and the finances of those who are responsible for plan funding. As shown by the Asset Volatility Ratio discussed later in this section, the System's assets are now much larger compared to UAL payroll than in the past. The Asset Volatility Ratio example shows that because of this, a 10% investment loss on assets today would cost more than two times as much, when measured as a percentage of UAL payroll, than a 10% investment loss would have cost in 1993. Since pension plans make long-term promises and rely on long-term funding, it is important to consider how mature the plan is today, and how mature it may become in the future.

The results of any actuarial valuation are based on one set of assumptions. Although we believe the current assumptions for the System provide a reasonable estimate of future expectations, it is almost certain that future experience will differ from the assumptions to some extent. It is therefore important to consider the potential impacts of these potential differences between assumptions and experience when making decisions that may affect the future financial health of the Plan, or of the Plan's participants.

Actuarial Standard of Practice No. 51 (ASOP 51) addresses these issues by providing actuaries with guidance for assessing and disclosing the risk associated with measuring pension liabilities and the determination of pension plan contributions. Specifically, it directs the actuary to:

- Identify risks that may be significant to the plan.
- Assess the risks identified as significant to the plan. The assessment does not need to include numerical calculations.
- Disclose plan maturity measures and historical information that are significant to understanding the plan's risks.

ASOP 51 states that if, in the actuary's professional judgment, a more detailed assessment would be significantly beneficial in helping the individuals responsible for the plan to understand the risks identified by the actuary, then the actuary should recommend that such an assessment be performed.

This Section uses the framework of ASOP 51 to communicate important information about significant risks to the System, the System's maturity, and relevant historical Plan data.

### Identification of Risks

There are a number of factors that affect future valuation results. To the extent actual experience for these factors varies from the assumptions, this will likely cause either increases or decreases in the plan's future funding level and calculated contribution rates. Examples of factors that can have a significant impact on valuation results are:

- Investment return as this will impact the level of assets available to pay benefits
- Payroll variation as this will impact the ability to finance unfunded amounts as a percent of future pay
- Salary variation as this will impact the size of benefits members receive as a percent of final earnings
- Mortality as this will impact how long retirees receive benefits

- Service retirement as this will impact how long retirees receive benefits, the size of retiree benefits, the amount of time to receive employer and employee contributions, and the amount of time for investment earnings to accumulate on those contributions
- Termination (members leaving active employment for reasons other than death, disability or service retirement) as this will impact the size of those members benefits

### **Investment Return**

Of the factors listed above, we believe the factor with the greatest potential risk is future investment returns. For this reason, we studied this assumption in the executive summary of this report.

In that section, we performed deterministic projections to study the impact of various investment return scenarios on the UAL compared to the case in which the actual investment rate of return matches the assumed investment rate of return. See our October 7, 2021 presentation materials to the Actuarial Assumption Conference for additional details and discussion regarding the return assumption, including sensitivity analysis showing the impact on the UAL, Funded Status and blended employer contribution rate of changing the investment return assumption.

### **Demographic Experience**

While future investment returns will likely cause the greatest deviation from expected experience, there are many other assumptions made in an actuarial valuation. For these assumptions, differences between actual and assumed experience will also result in actuarial gains and losses. The executive summary of this report provides a look at the impact in the past year of actual experience deviating from assumed.

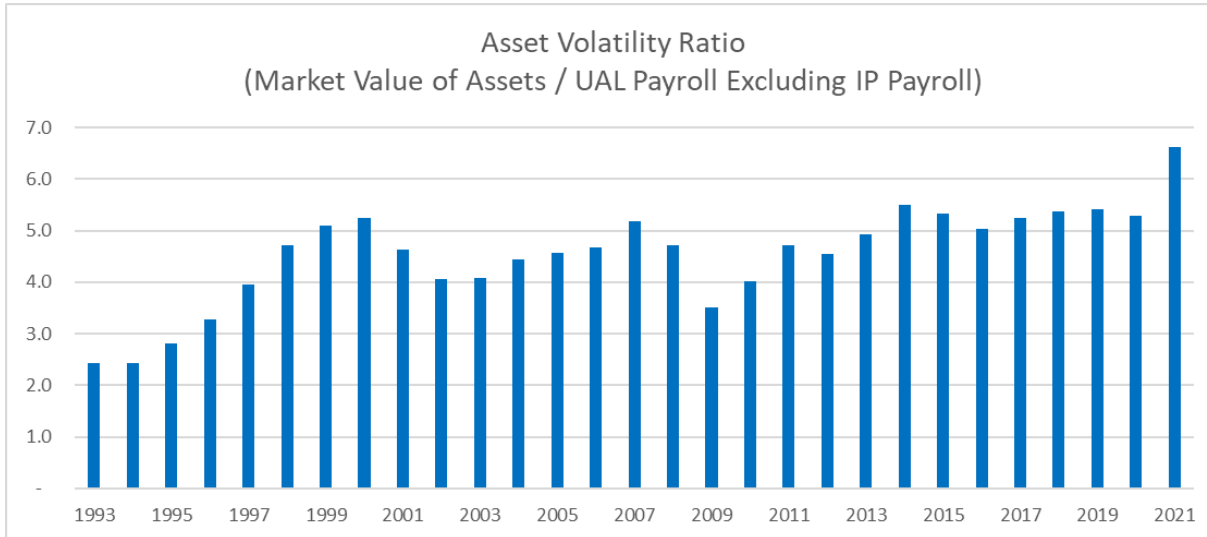
### **Maturity Measures and Historical Information**

The remainder of this section contains historical information concerning the System's Asset Volatility Ratio (AVR) and Liability Volatility Ratio (LVR), plus a forward-looking projection of future benefit payments on behalf of current Plan members. Additional historical information can be found in the Executive Summary.

### **Asset Volatility Ratios and Liability Volatility Ratios**

The magnitude of any contribution rate increase or decrease is affected by the System's maturity level. As systems mature, they accumulate larger pools of assets. Gains and losses on these larger pools of assets create more volatility in the contributions needed to fund the system.

One indicator of this potential volatility is the Asset Volatility Ratio (AVR), which is equal to the Market Value of Assets divided by total UAL payroll. As assets grow compared to UAL payroll, any percentage gain or loss on those assets will be larger compared to UAL payroll. This causes any resulting changes in required contributions from those gains or losses to also be larger when measured as a percentage of UAL payroll. Therefore, plans with a high AVR will be subject to a greater level of volatility in required contributions. The AVR is a current measure since it is based on the current level of assets and will vary from year to year.

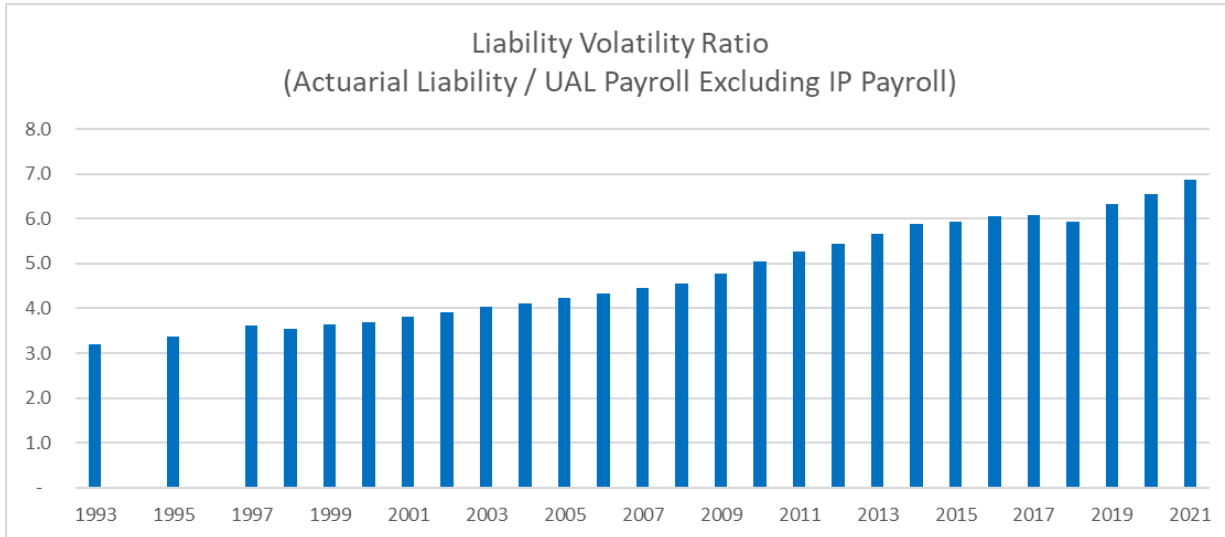


The current AVR for the FRS Pension Plan is 6.6. The AVR grew from 2.4 in 1993 to a high of 6.6 in 2021. The following table provides an illustration of how increases in the AVR increase the volatility of contributions from asset gains and losses.

Approximate eventual increase in contributions for an asset return 10% below the assumption if not offset by future gains	
Asset Volatility Ratio = <u>Assets / Payroll</u>	20-Year <u>Amortization</u>
2.4 (1993)	1.8%
6.6 (current)	4.9%

A return of negative 3.20% is approximately a 10% loss for FRS because it is 10% below the 6.80% investment return assumption. If a return of negative 3.20% were experienced and was not offset by future gains and the AVR was 2.4, the loss would be expected to increase contributions by about 1.8% of pay when amortized over 20 years. However, with the AVR of 6.6, the same return would be expected to increase contributions by about 4.9% of UAL payroll when amortized over 20 years.

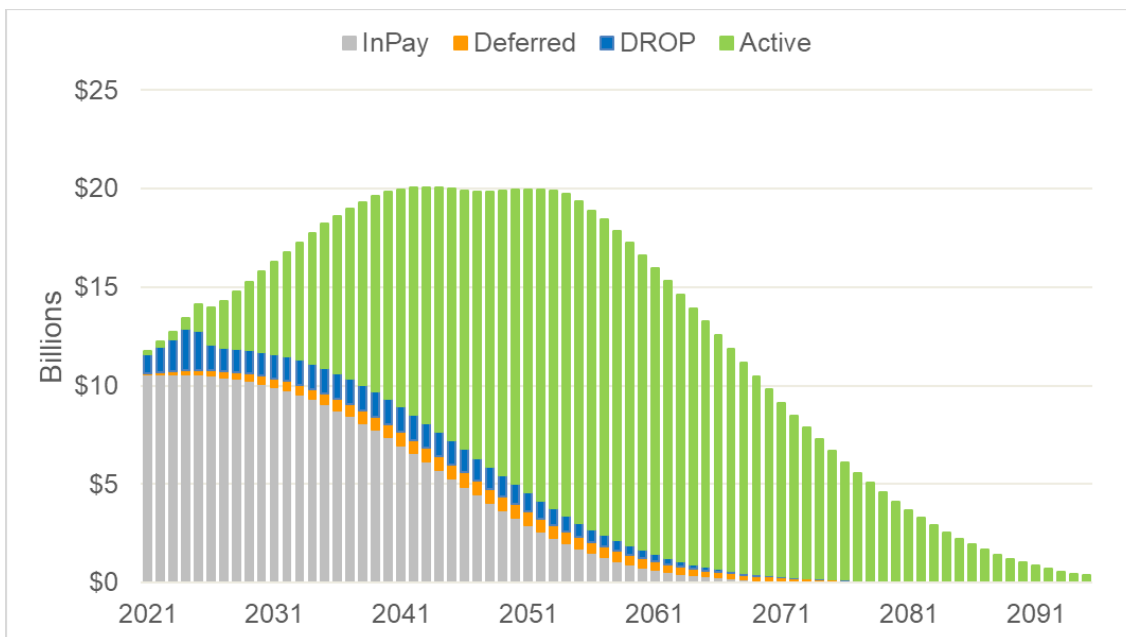
Another measure of a system’s maturity is the Liability Volatility Ratio (LVR), which is equal to the AL divided by the total UAL payroll. This ratio provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. In addition, this ratio provides an indication of the potential contribution volatility due to liability experience (gains and losses) and liability re-measurements (assumption changes). For FRS, the current LVR is 6.9.



The graph above shows the historical LVR since 1993<sup>1</sup>. It is a similar pattern to the Asset Volatility Ratio, except the increase is more gradual and the year-to-year variance is significantly less.

**Projected Benefit Payments**

The graph below shows projected benefit payments based on member status as of July 1, 2021. For example, payments shown in blue are all projected payments for members currently in DROP as of July 1, 2021, including annuity payments to those members after their DROP exit.



<sup>1</sup> Prior to 1997, actuarial valuations were conducted biennially. Therefore, there was no measure of the Actuarial Liability at July 1, 1994 or July 1, 1996.

## Appendix G: Glossary

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

### **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.

### **Accumulated Benefit Obligation (ABO)**

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

### **Actuarial Assumptions**

Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disability, 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.

### **Actuarial Cost Allocation 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.

### **Actuarially Equivalent**

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

### **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.

### **Actuarial Liability (AL)**

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

### **Actuarial Present Value of Pension Plan Benefits**

Total projected benefits include all benefits estimated to be payable to plan members as a result of their service through the valuation date and their expected future service. The actuarial present value of total projected benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.

### **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.



### **Actuarial Value of Assets (AVA)**

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

### **Amortization**

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

### **Amortization Payment**

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

Level Percent of Pay: Produces a level series of payments when expressed as a percent of payroll. Cash payment increases in line with payroll growth assumption.

Level Dollar: Produces a decreasing pattern of payments when expressed as a percent of payroll. Cash payment remains level.

### **Entry Age Normal Actuarial Cost Method (EAN)**

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

### **Funded Ratio**

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

### **Government Accounting Standards Board (GASB)**

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

### **Interest Rate**

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

### **Market Value of Assets (MVA)**

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

### **Normal Cost (NC)**

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

### **Present Value (PV)/ Actuarial Present Value (APV)**

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

**Projected Benefits**

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

**Unfunded Actuarial Liability**

The excess of the Actuarial Liability over the Actuarial Value of Assets. When the Actuarial Value of Assets exceeds Actuarial Liabilities a point-in-time actuarial surplus exists.

**Valuation Date**

The date as of which the liabilities are determined.