



State Affairs Committee

Thursday, February 14, 2013

9:00 AM

Morris Hall (17 HOB)

MEETING PACKET

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

State Affairs Committee

Start Date and Time: Thursday, February 14, 2013 09:00 am
End Date and Time: Thursday, February 14, 2013 11:00 am
Location: Morris Hall (17 HOB)
Duration: 2.00 hrs

Educational Presentations Regarding Public Pension Plans:

- House Staff Presentation: Florida Retirement System Overview
- State Board of Administration Staff Presentation: Investment Plan Overview
- Department of Management Services Staff Presentation: Local Pension Plans

NOTICE FINALIZED on 02/07/2013 16:15 by Love.John

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**Florida Retirement
System Overview**

Florida Retirement System

Florida House of Representatives

State Affairs Committee

February 14, 2013

Florida Retirement System

“At a Glance”

Florida Retirement System (FRS):

- Annual employer contributions **\$1.6 billion**
- Annual employee contributions **\$940 million**
- Active participants **623,011**
- Annuitants **334,682**
- Funding ratio as of July 1, 2012 **86.9 percent**
- Market value of assets as of July 1, 2012 **\$122.9 billion**

Topics of Discussion:

- Membership
- FRS plan options
- Costs and funding
- Benefits
- Deferred Retirement Option Program

Florida Retirement System

- Established in 1970
- Provides retirement, disability and death benefits
- Funded through employer and employee contributions and investment earnings
- Managed by the Department of Management Services and the State Board of Administration
- 623,011 active participants as of June 30, 2012

Membership

Florida Retirement System

Participants

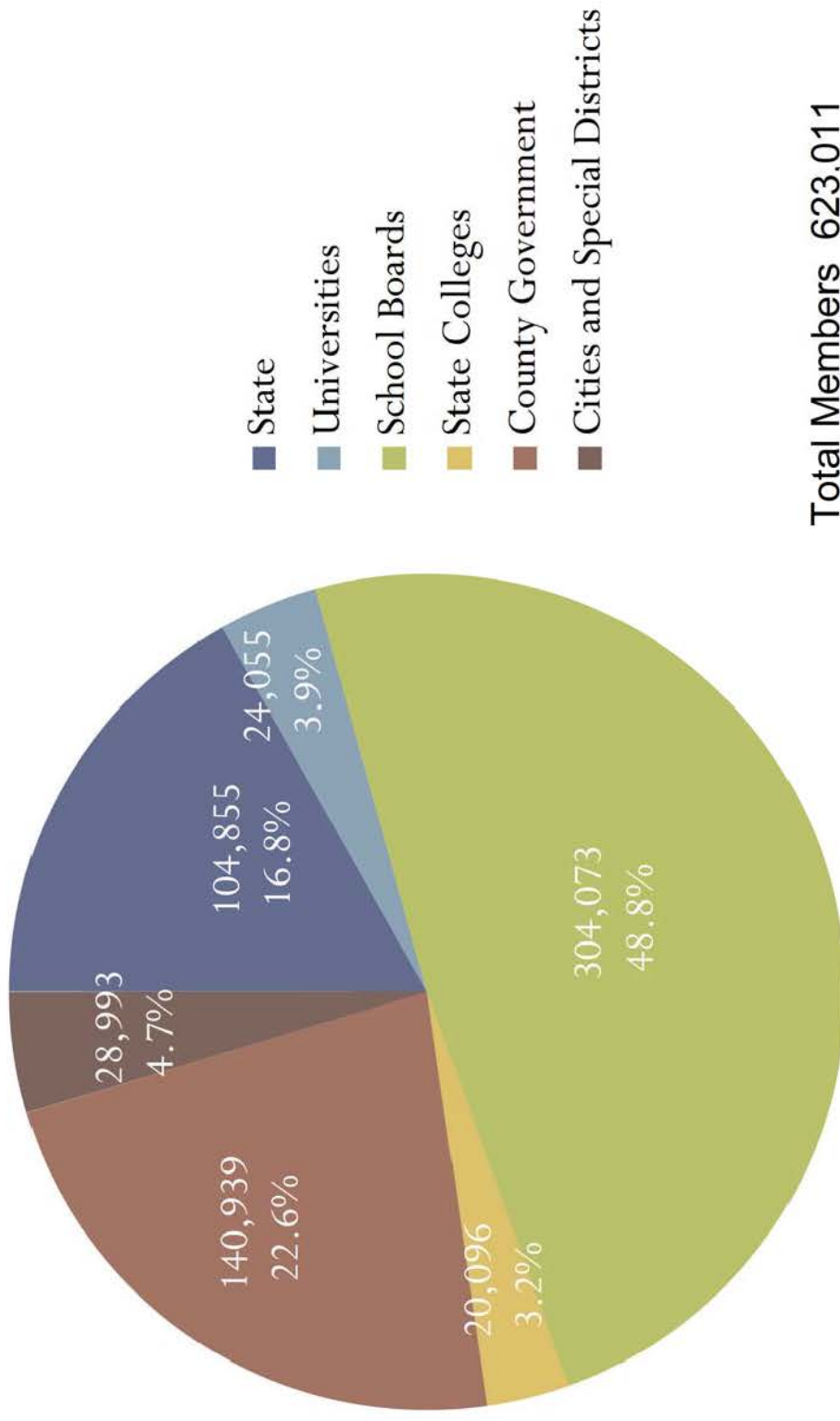
Required:

- State
- School boards
- County governments
- Universities
- State colleges

Optional:

- Municipalities
- Special districts

Active Membership by Employer



Membership Plans

FLORIDA RETIREMENT SYSTEM

Two Plan Options

- INVESTMENT PLAN (defined contribution plan)
 - Funded by employer and employee contributions
 - Participants determine how the funds in their accounts are invested
 - Participants bear the risk of their investment decisions
 - 105,255 (16.9%) active members
- PENSION PLAN (defined benefit plan)
 - Retirement benefit is a formula-based payment that is funded by employer and employee contributions and investment earnings
 - Employer bears the investment risk
 - 517,756 (83.1%) active members

Investment Plan (defined contribution)

- Established by the 2000 Legislature to take effect in 2002
- State Board of Administration (SBA) is primarily responsible for administering the Investment Plan
 - Comprised of the Governor as chair, Chief Financial Officer and Attorney General – commonly referred to as “Trustees”
 - Trustees delegate operational responsibilities to an Executive Director

Investment Plan (cont.)

- SBA develops policy and procedures for selecting, evaluating and monitoring the performance of approved providers and investment products
- Investment options and products are selected based upon criteria established in law
- All contributions under the Investment Plan are deposited into the individual participant's account
- Participants may rollover monies to and from qualified retirement plans

Pension Plan (defined benefit)

- Division of Retirement in the Department of Management Services administers the Pension Plan
- SBA invests Pension Plan assets
 - Must follow fiduciary standards of care, subject to certain limitations, which are established in law
 - Current law provides a “legal list” of the types of investments and percentages of the total fund that may be invested in each investment type
- Investment Advisory Council, appointed by the Trustees, provides independent oversight of the general objectives, policies and strategies for Pension Plan investments

Legal Requirements

FLORIDA RETIREMENT SYSTEM

Actuarial Requirements

FLORIDA CONSTITUTION prohibits the state from providing any increased retirement benefits unless the state has made or concurrently makes provision for the funding of those benefits on a sound actuarial basis (Art. X, s. 14, Fla. Const.)

FLORIDA STATUTES implement the constitutional provision

- “Florida Protection of Public Employee Retirement Benefits Act” establishes minimum standards for the operation and funding of public employee retirement systems and plans in the State of Florida (ss. 112.60 – 112.67, F.S.)
- Section 121.031(3), F.S., requires an annual actuarial study of the FRS

Contractual Obligations

FLORIDA CONSTITUTION prohibits the passage of any law impairing the obligation of contracts (Art. I, s. 10, Fla. Const.)

FLORIDA STATUTES provide that the rights of members of the Florida Retirement System are of a contractual nature, entered into between the member and the state, and such rights are legally enforceable as valid contract rights and may not be abridged in any way (s. 121.011(3)(d), F.S.)

Pension Plan Funding

FLORIDA RETIREMENT SYSTEM

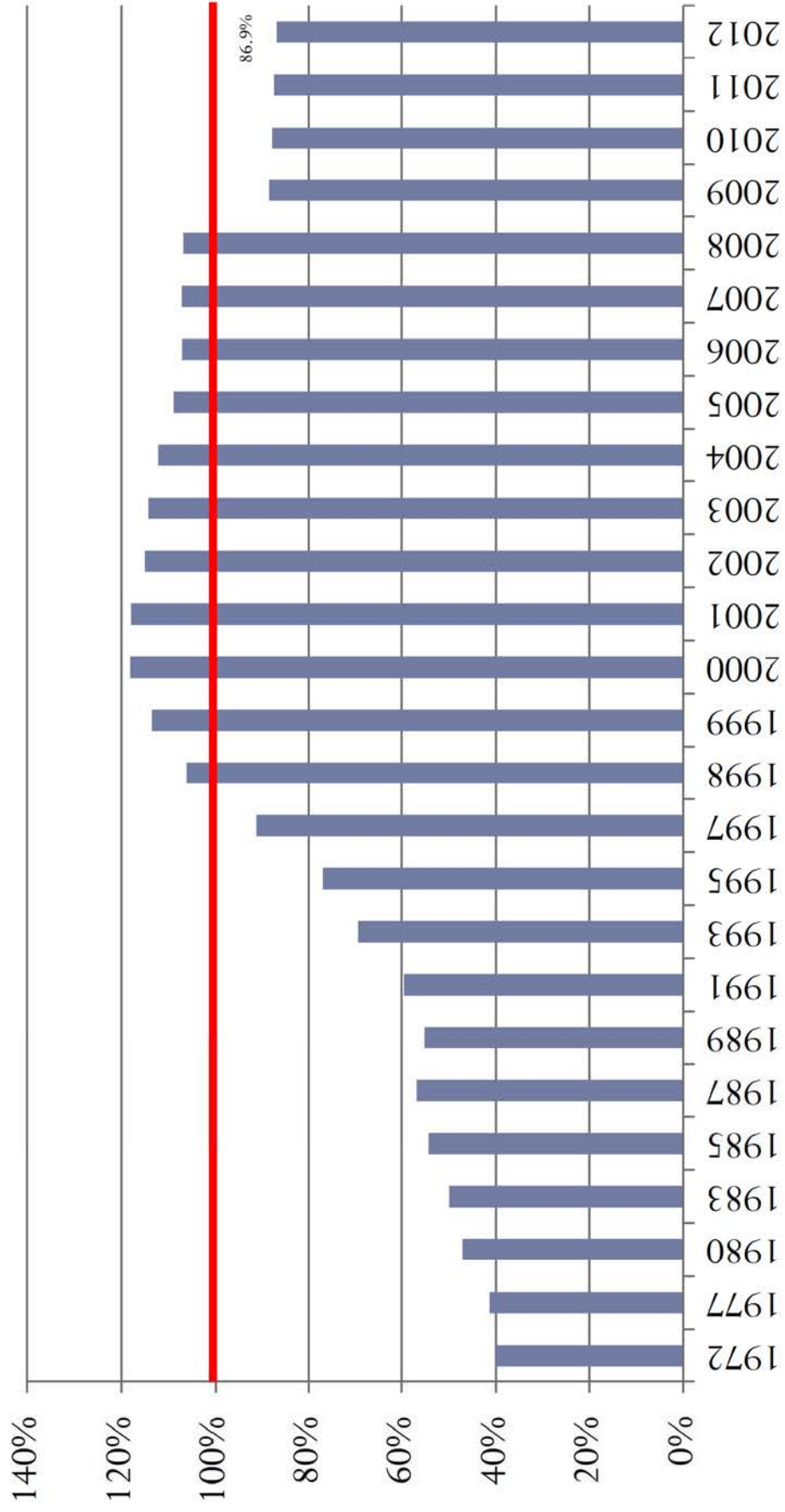
Funding Methodology

- Actuarial valuation is performed annually on the Pension Plan
 - Determines the actuarial funding status of the plan
 - Proposes employer contribution rates sufficient to fund the normal cost of the plan and amortization of the unfunded actuarial liability (UAL), if any
- Blended Rate Study is performed subsequent to the actuarial valuation
 - ‘Blends’ the Normal Cost rates with the Investment Plan contribution rates to establish a uniform employer contribution rate

Actuarial Funding Status

- As of July 1, 2012, the Pension Plan had an actuarial funding level of 86.9 percent
 - UAL of \$19.3 billion
- Industry experts consider an actuarial funding level of over 80.0 percent to be a healthy program
 - Recent data regarding public pension plan funding indicates that over half of the states providing data have funding ratios below 80.0 percent

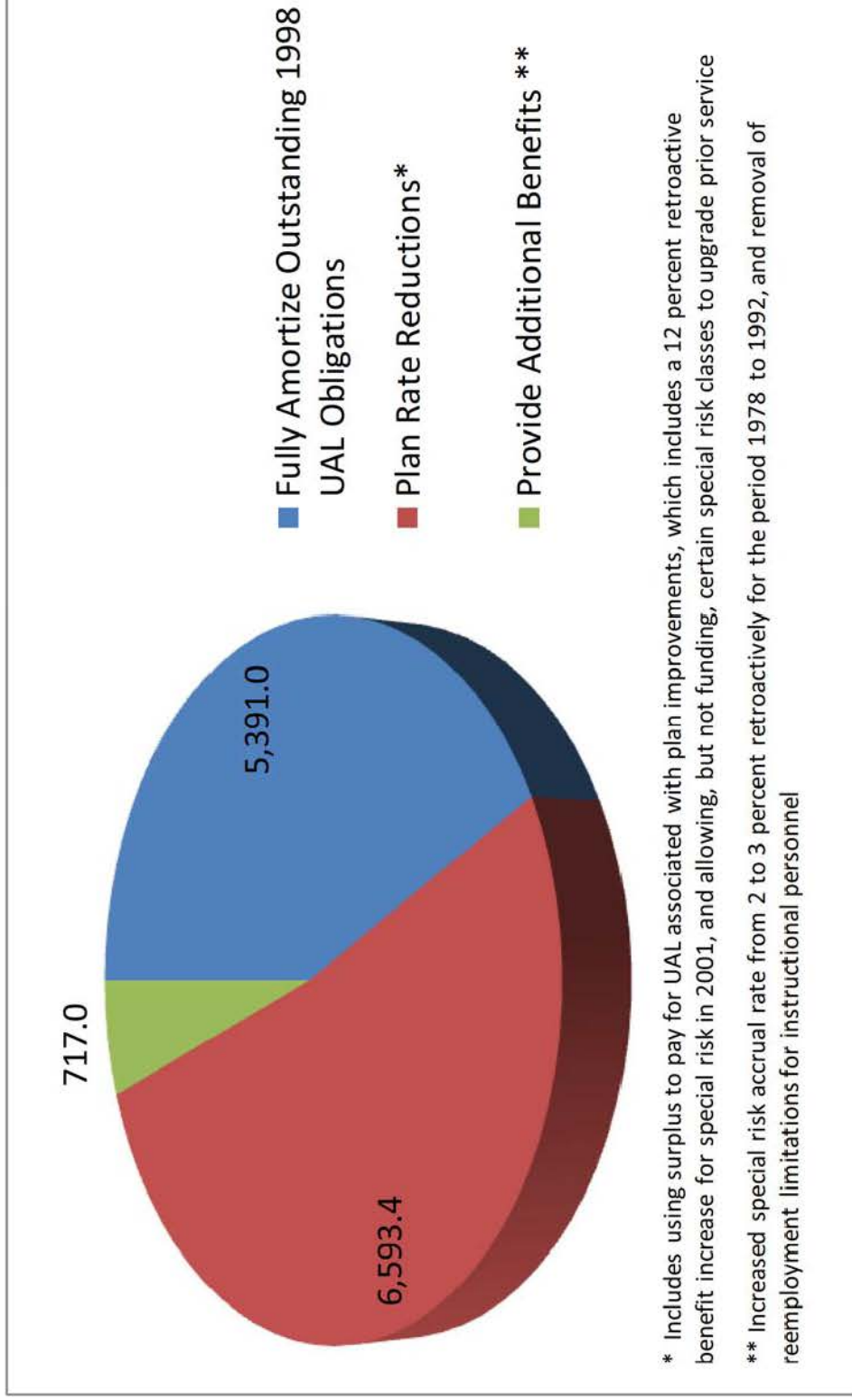
Historical Actuarial Funding Ratio



FRS Surplus and the Rate Stabilization Mechanism

- The 2000 Legislature amended s. 121.031, F.S., to specify a methodology, referred to as the rate stabilization mechanism, in order to maintain a reserve, provide for the judicious use of any surplus and provide for more predictable contribution rates as follows:
 - One-half of the excess over 5 percent may be used to offset total FRS costs
 - An additional one-fourth of the excess over 10 percent may be used to offset total FRS costs
 - An additional one-fourth of the excess over 15 percent may be used to offset total FRS costs
- Any funds in the FRS, including any estimated surplus, cannot be used for any purpose other than to provide benefits or fund administration of the plan

Uses of Available Surplus from 1998 to 2008 (Millions \$)



Class Structure and Benefits

FLORIDA RETIREMENT SYSTEM

Class Structure

- REGULAR CLASS - Members who do not qualify for membership in other classes within the FRS
- SPECIAL RISK CLASS - Law enforcement officers, firefighters, correctional officers, correctional probation officers, paramedics, EMTs, certain professional health care workers within Department of Corrections and Department of Children and Families and certain forensic employees
- SPECIAL RISK ADMINISTRATIVE SUPPORT CLASS – Former special risk members who are transferred or reassigned to an administrative support position
- ELECTED OFFICERS’ CLASS - Members who hold specified elective offices
- SENIOR MANAGEMENT SERVICE CLASS – Senior management level positions assigned or authorized by law

Pension Plan Benefit Summary

- Benefit Calculation:
 - Years of Service X Accrual Rate X Average Final Compensation
 - Example: 30 (years of service) X 1.6% (accrual rate) X 40,000 (average final compensation) = \$19,200 (annual benefit)

Class	Years of Service		Accrual Rate
	Pre-July 1, 2011	Post July 1, 2011	
Regular	30	33	1.60%
Special Risk	25	30	3.00%
Special Risk Admin. Support	25	30	1.60%
Senior Management Service	30	33	2.00%
Elected Officers' - Judges	30	33	3.33%
Elected Officers' - Others	30	33	3.00%

Disability Benefits

- Disability retirement requires total and permanent disability from all employment
- Available to both Pension Plan and Investment Plan members
- In-line-of-duty disability benefits are available from first day of employment
- Non-duty disability retirement requires eight years of creditable service

Disability Benefits (minimum)

- **Special Risk:**
 - In-line-of-duty: 65 percent of AFC
 - Regular Disability: 25 percent of AFC
- **Other Classes:**
 - In-line-of-duty: 42 percent of AFC
 - Regular Disability: 25 percent of AFC

Survivor Benefit

- In-line-of-duty survivor benefits for Pension Plan members provide one-half of salary at the time of death payable for the spouse's lifetime or until the youngest dependent child reaches age 18
 - Available from first day of employment
- Non-duty survivor benefits for Pension Plan members provide a lifetime benefit to a spouse or disabled dependent child, or until age 25 for a non-disabled child
 - Members must vest in order to be eligible

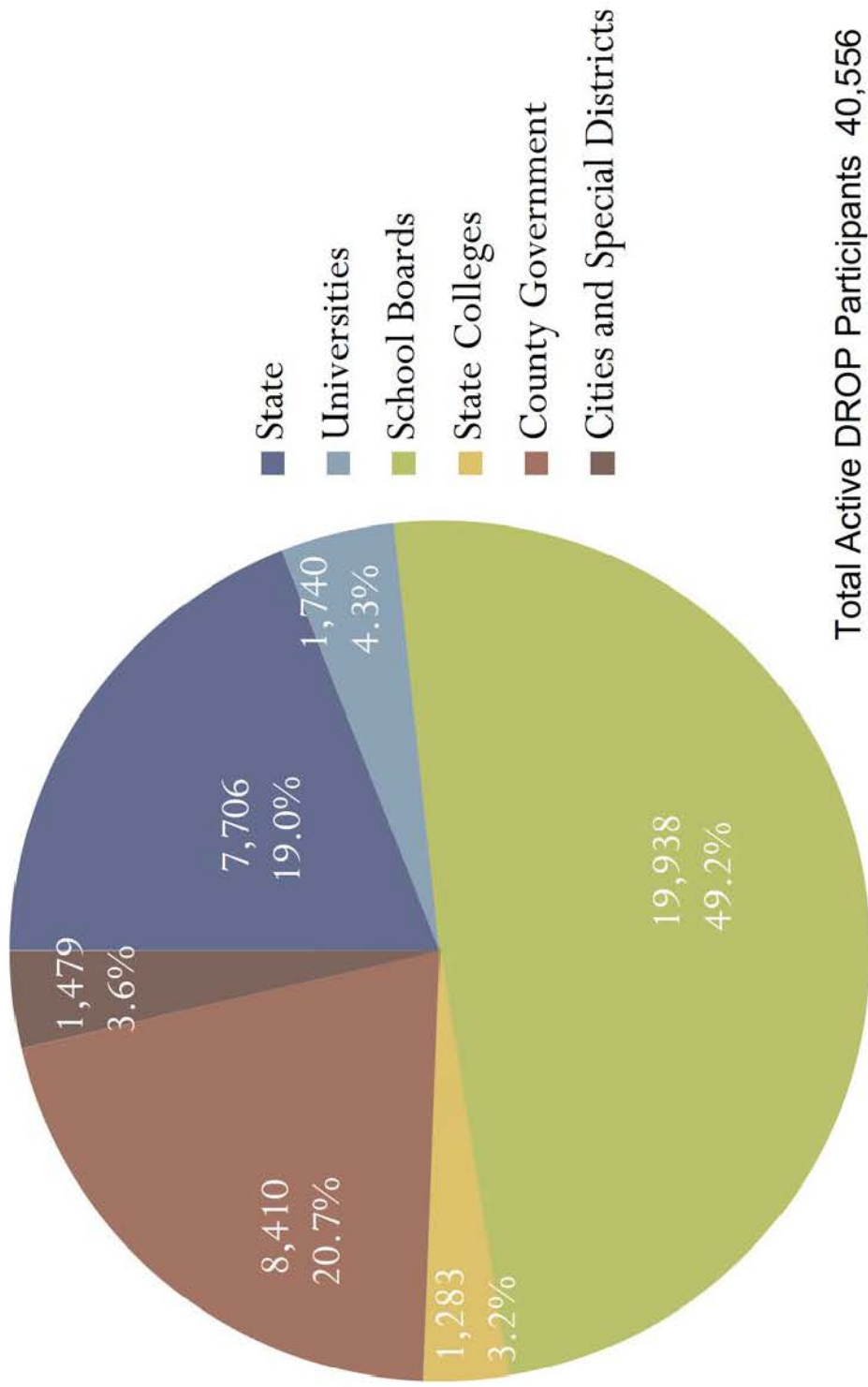
Deferred Retirement Option Program (DROP)

FLORIDA RETIREMENT SYSTEM

DROP

- Established in 1998
- Allows members to retire and continue working for up to:
 - 5 Years: Most members
 - 8 Years: K-12 Instructional Personnel
- Pension benefits accumulate in the FRS Trust Fund
 - Earn 6.5 percent interest and 3.0 percent Cost of Living Adjustment, if enrolled in DROP before July 1, 2011
 - Earn 1.3 percent interest, if enrolled in DROP on or after July 1, 2011
- Members must terminate FRS employment after completing DROP

Active DROP Participants by Employer



Legislative Changes

FLORIDA RETIREMENT SYSTEM

Chapter 2009-209, Laws of Florida

- Required termination period for retirement is increased from one calendar month to six, effective on or after July 1, 2010
- Renewed membership is prohibited for FRS retirees initially re-employed on or after July 1, 2010
- For elected officials entering DROP on or after July 1, 2010, DROP accounts no longer earn interest after the DROP participation period ends, even if the term of office extends beyond the DROP participation period

Chapter 2011-68, Laws of Florida

- Requires 3 percent employee contribution on a pre-tax basis for compensation reported on or after July 1, 2011
 - Applies to members of the investment plan and the pension plan
- Reduces the interest accrual rate from 6.5 percent to 1.3 percent for members who enter DROP on or after July 1, 2011

Chapter 2011-68, Laws of Florida (cont.)

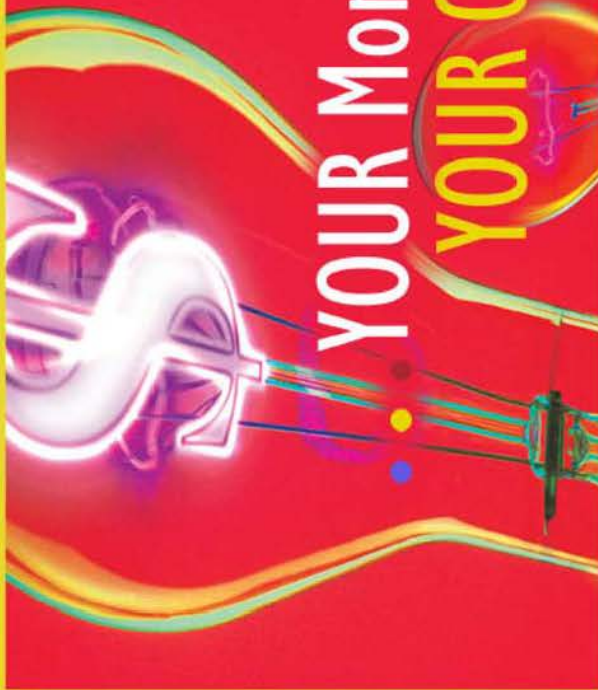
Pension Plan Members	Enrolled before July 1, 2011	Enrolled on or after July 1, 2011
Vesting	6 years	8 years
Normal Retirement for Special Risk, including Special Risk Administrative Support	25 years of service or age 55	30 years of service or age 60
Normal Retirement for All Other Classes	30 years of service or age 62	33 years of service or age 65
Average Final Compensation	5 highest years	8 highest years
Cost of Living Adjustment (COLA)	No COLA for service earned on or after July 1, 2011	No COLA

The End

FRS Investment Plan



Florida Retirement System





Two FRS Retirement Plans



**Pension
Plan**

OR



**Investment
Plan**

or Hybrid Option

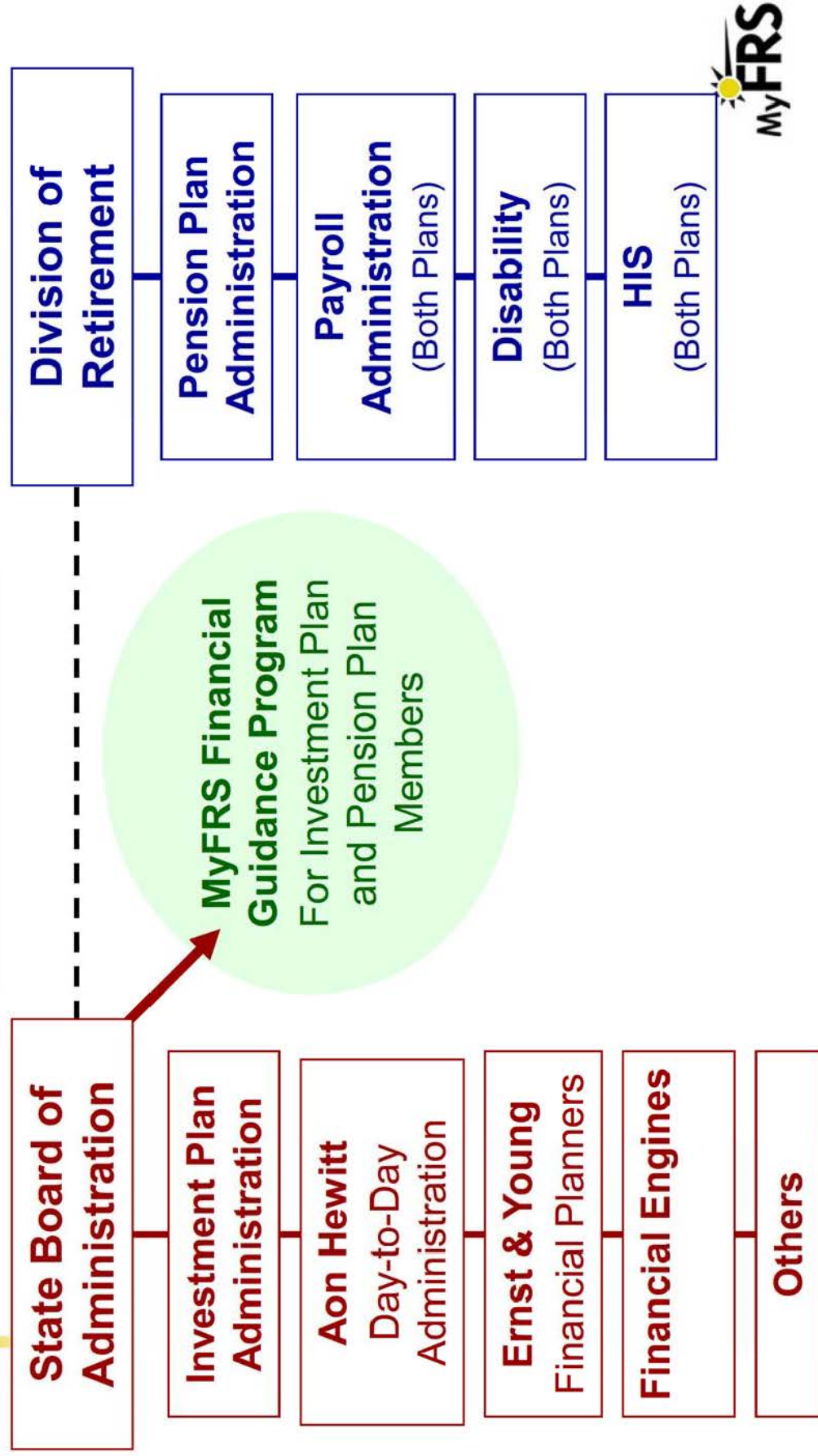


Investment Plan Snapshot as of December 2012

- **Assets:** \$7.499 Billion
- **Members:** 145,458 Active- 107,821
Inactive- 37,637
- **Average Account Balance:** \$51,560
- **Average Age:** 46
- **Average Years of Service:** 8.14
- **Retirees:** 64,843
- **Distributions:** \$5.612 Billion
- **Lump Sum Payouts:** 39%
- **Rollovers:** 61%



MyFRS Partners



Enrollment Process for New Employees



MyFRS Financial Guidance Line 1-866-446-9377



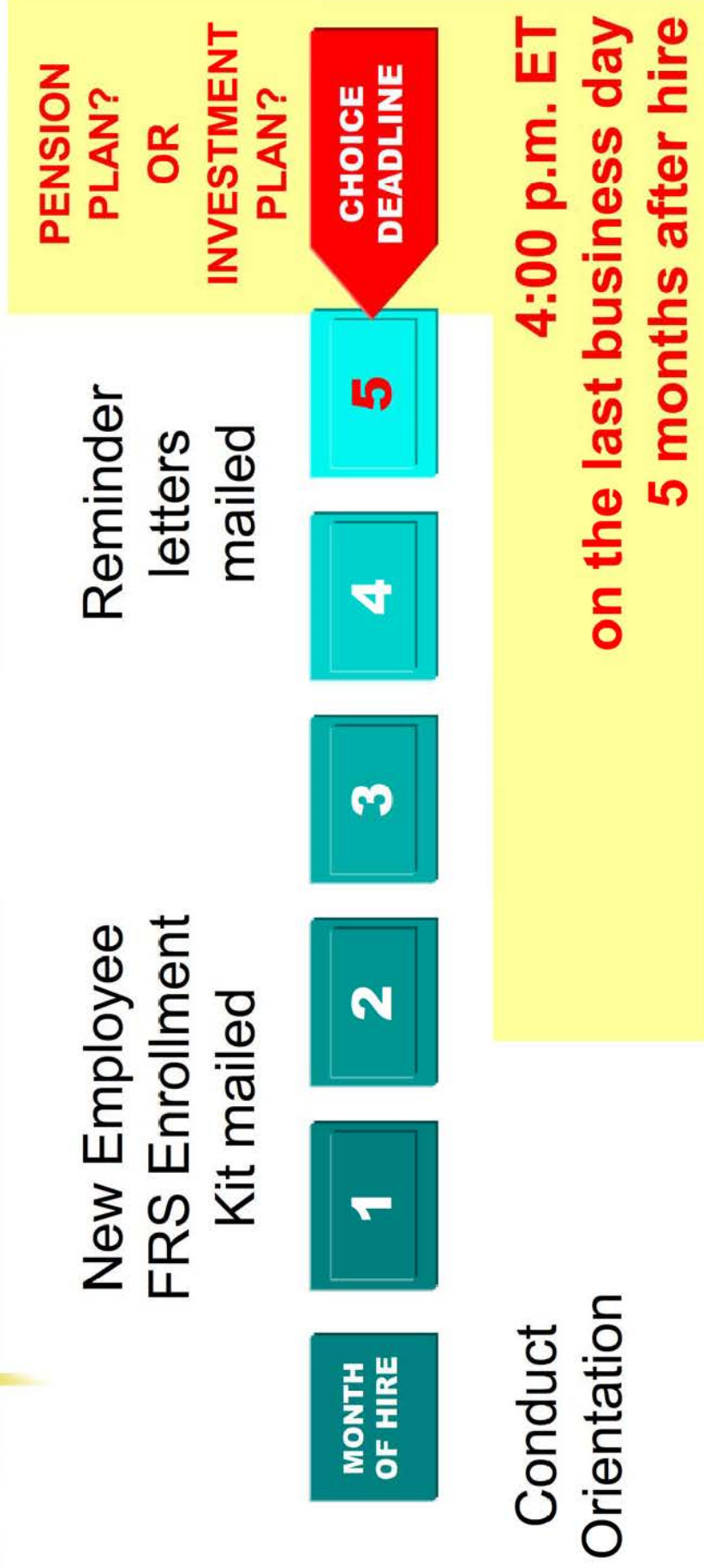


New Hires – FRS Membership

- Required for all full-time/part-time regularly established positions
- Other annuity or optional programs
 - **Senior Management Service Class** employees (including Elected Officers' Class employees who choose to join that class)
 - **State University System** faculty and administrative and professional employees
 - **State Community College System** faculty and certain administrators (if their college offers an optional retirement program)



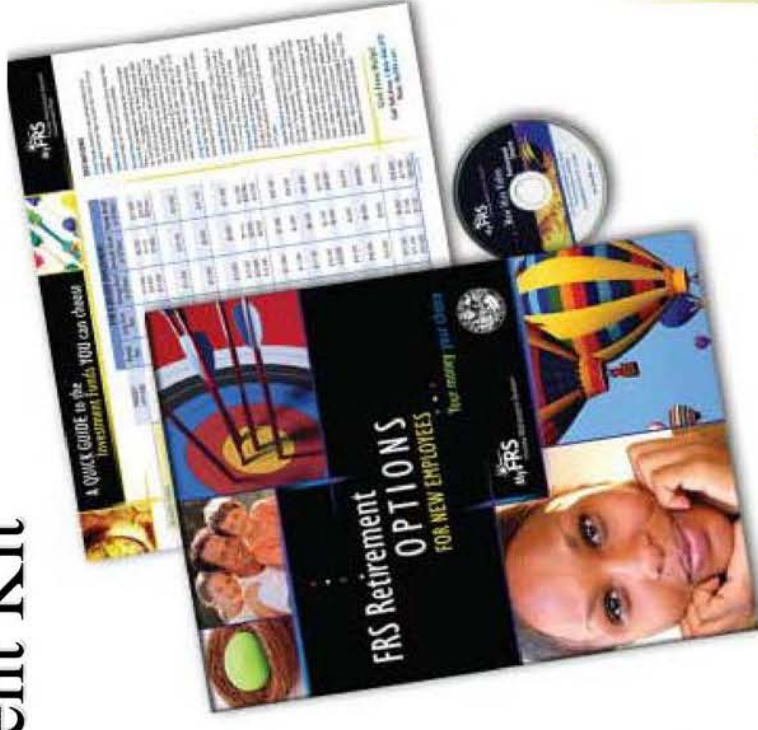
New Hires – Enrollment Process





FRS Enrollment Kit

- New Employee FRS Enrollment Kit
 - Options for New Employees
 - Benefit Comparison Statement
 - Wallet cards
 - Video
 - Investment Fund Summary
 - EZ Enrollment form
 - Privacy & Services Agreement





Reminder Letters

- 2 letters
- 1st letter → month 4
- 2nd letter → month 5, 10th day
- EZ form in both
- New hire list on MyFRS.com





New Employee Elections

	Default to		
	Pension Plan	Pension Plan	Investment Plan
FY 08-09	25,923 (56%)	10,672 (22%)	11,116 (23%)
FY 09-10	21,501 (56%)	8,158 (21%)	9,071 (23%)
FY 10-11	21,049 (53%)	9,042 (23%)	9,960 (25%)
FY 11-12	20,064 (53%)	6,976 (18%)	10,937 (29%)
FY 12-13*	8,593 (59%)	2,502 (17%)	3,526 (24%)
Total	97,130 (54%)	37,350 (21%)	44,610 (25%)

*As of December 31, 2012

2nd Election



MyFRS Financial Guidance Line 1-866-446-9377





2nd Election

- One-time opportunity to switch plans
- Must be an active employee earning salary & service credit



Second Elections

	Pension Plan	Investment Plan	Total
FY 08-09	373 (8%)	4,160 (92%)	4,533
FY 09-10	289 (6%)	4,420 (94%)	4,709
FY 10-11	381 (4%)	8,330 (96%)	8,711
FY 11-12	351 (5%)	6,443 (95%)	6,794
FY 12-13*	<u>248 (9%)</u>	<u>2,510 (91%)</u>	<u>2,758</u>
Total	1,642 (6%)	25,863 (94%)	27,505

*As of December 31, 2012

Investment Plan Features



MyFRS Financial Guidance Line 1-866-446-9377





Investment Plan Vesting Period

- One year of service versus 6 or 8 years in the Pension Plan
- Pension Plan service counts toward vesting, but Pension Plan years retain that vesting schedule



Investment Plan Contributions

Membership Class	Employee	Employer	Total
Regular Class	3%	3.30%	6.30%
Special Risk Class	3%	11.00%	14.00%
Special Risk Admin	3%	4.95%	7.95%
EOC-Judges	3%	10.23%	13.23%
EOC- Leg/Cabinet/State			
Attorney/Public Defenders	3%	6.38%	9.38%
EOC- County Officers	3%	8.34%	11.34%
Senior Management			
Service	3%	4.67%	7.67%

Note: Employers also pay .03% for plan administration, 1.11% for Health Insurance Subsidy Coverage and varying rates included in the Blended Rate for disability coverage.





Investment Plan Rollovers

- Current, Former, and Retired members
 - Roll qualified plans \$\$ ⇄ Investment Plan
- Current and former DROP participants
 - Roll DROP \$\$ ⇄ Investment Plan
 - Low-cost funds and inactive admin. fee



Investment Plan Disability Benefits

- Must have a total and permanent disability
- Regular Disability
 - 25% minimum, must have 8 years service credit
- ILOD Disability
 - 42% or 65% minimum, eligible from first day
- Division approval
 - Investment Plan \$\$ ⇌ Pension Plan
 - Disability benefits under Pension Plan provisions
- 2nd Election not required
- Recovery ⇌ transfer back to Investment Plan



Investment Plan Death Benefits

- Vested, no distribution → full value of account balance to beneficiary
- Spouse beneficiary
 - Choice of distribution
 - Defer distribution
- Other beneficiary
 - One year to decide
 - 5-year payout or lifetime annuity
- Line of duty



Investment Plan Survivor Counseling

- Free, objective financial guidance
- Investment Plan beneficiaries only
- Automatically notified by mail
- Available for one year

FRS SURVIVOR Financial Counseling
for Investment Plan **BENEFICIARIES**

So Many Questions
Planning your financial security is a challenging task under the best of circumstances. When faced with the loss of a loved one, the financial issues that immediately arise in often overwhelming. The FRS Survivor Financial Counseling Service provides the objective financial counseling you need to help you understand your options and make the best decisions for your future.

- Should I take the IRS Inherited Plan assets as a lump sum or in installments?
- Do I need an attorney to assist with an estate?
- Can I include my own tax returns, the estate tax return, and my loved one's final tax returns, or do I need the assistance of a tax professional?
- Will I have enough money to help pay for my children's education?
- What should I do with my life insurance proceeds?
- Do I need a will?
- How do I name my primary children on my life insurance policy?
- Am I entitled to Social Security survivor benefits? Am I eligible for my own Social Security?

Impartial Guidance
FRS Survivor Financial Counseling is an IRS-qualified service that is available to you at absolutely no cost. Our counselors are trained and experienced professionals who are sensitive to your circumstances and prepared to address your unique financial concerns.

Be sure you receive the service you deserve!

- **Objective** — Because FRS is a non-profit organization, we are not interested in your financial success or any kind of consulting services, so we can provide you with the most objective and unbiased advice.
- **Professional** — FRS is a non-profit organization that employs only the most qualified financial planners in the industry. Each FRS financial planner has an advanced degree in a relevant professional discipline and has completed a minimum of 20 hours of professional education annually.
- **Confidential** — You are assured the highest level of confidentiality. We will only discuss the aspects of your counseling session.

Comprehensive Support
By using our service, you receive immediate:

- **Personal Financial Counseling** — You can speak with an FRS Survivor Financial planner by phone or in person. We will help you understand your options and identify your financial goals, needs, and priorities.
- **Personal Financial Plan** — Our FRS Survivor Financial planners will create a written Personal Financial Plan summarizing the issues discussed during your counseling session. This plan will require appropriate actions and provide strategies for meeting your financial objectives.
- **Objective Financial Planning** — Our FRS Survivor Financial planners will review the IRS Inherited Plan assets with you to help you understand your options and help you identify your financial goals and needs.

FRS Survivor Financial Counseling for Investment Plan Beneficiaries
Please contact our financial planners toll-free by calling 1-866-446-2377, Option 3.
Funding through Fidelity Investments.





Investment Plan Payment Options

- Rollover
- Lump-sum
- On demand or scheduled
- Annuity payments
 - Survivor
 - 3% COLA
- Combination



Health Insurance Subsidy (HIS)

- \$5/year of creditable service
 - \$30 minimum/month
 - \$150 maximum/month
- Eligibility
 - 6 years, if enrolled prior to July 1, 2011
 - 8 years if enrolled on or after July 1, 2011
- Early distribution ⇨ Pension Plan normal retirement
 - Special Risk: Age 55 + 6 years or 25 years, enrolled prior to July 1, 2011; Age 60 + 8 years or 30 years, enrolled on or after July 1, 2011
 - All other classes: Age 62 + 6 years or 30 years, enrolled prior to July 1, 2011; Age 65 + 8 years or 33 years, enrolled on or after July 1, 2011
- Hybrid Option ⇨ Pension Plan benefit
- Surviving spouse

Investment Funds



MyFRS Financial Guidance Line 1-866-446-9377





Investment Fund Categories

Investment Fund Categories	Number of FRS IP Funds
Money Market Fund	1
Treasury Inflation Protected Securities Fund	1
Fixed Income Funds	4
U.S. Stocks Funds	8
Foreign Stocks Funds	3
Balanced Funds	3



Investment Fund Fees Annual Fees as of December 2012

Investment Fund Categories	Range of FRS IP Fund Fees	Average Mutual Fund Fees
Money Market Fund	0.06%	0.33%
Treasury Inflation Protected Securities Fund	0.02%	0.54%
Fixed Income Funds	0.05% - 0.60%	0.51%- 0.86%
U.S. Stocks Funds	0.02% - 0.92%	0.81%- 1.36%
Foreign Stocks Funds	0.02% - 0.53%	0.87%- 1.14%
Balanced Funds	0.04%- 0.06%	0.74%- 0.96%



Investment Fund Returns Since Inception July 2002 through December 2012

Investment Fund Categories	Managed Return	Target Return
Money Market Fund	2.01%	2.04%
Treasury Inflation Protected Securities Fund	7.07%	7.05%
Fixed Income Funds	6.00%	5.58%
U.S. Stocks Funds	7.92%	7.61%
Foreign Stocks Funds	8.74%	7.44%
Balanced Funds	6.47%	6.30%

ADVISOR SERVICE



MyFRS Financial Guidance Line 1-866-446-9377





ADVISOR SERVICE

- Powered by Financial Engines for **ALL FRS** members
- MyFRS.com
- Financial Guidance Line
- Advice on one other plan if in Pension Plan (i.e. 457, 403(b))



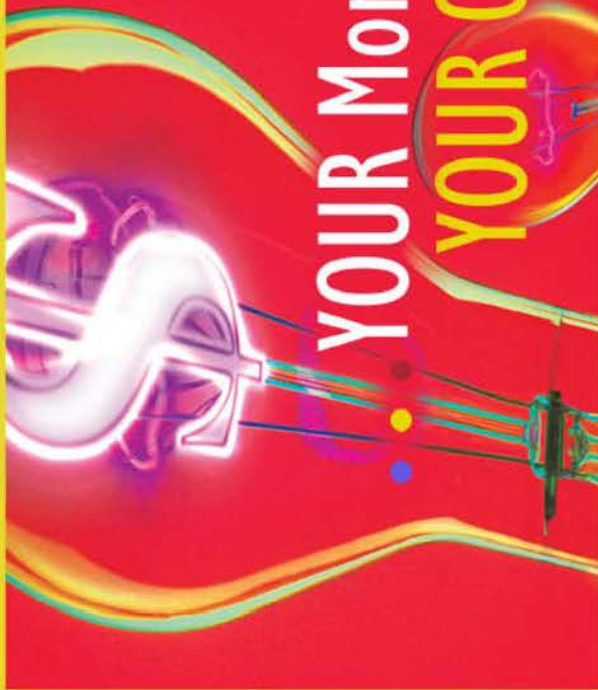
Questions



FRS Investment Plan



Florida Retirement System





Local Government Pension Plans

February 14, 2013

House State Affairs Committee



Local Government Pension Plans State Monitoring and Enforcement

- The Division of Retirement administers Part VII of Chapter 112, Florida Statutes, to ensure that affected retirement systems are:
 - Managed, administered, operated, and funded ... to maximize the protection of public employee retirement benefits.
 - To prohibit the use of any procedure, methodology, or assumptions the effect of which is to transfer to future taxpayers any portion of the costs which may reasonably have been expected to be paid by the current taxpayers.



Local Government Pension Plans Background

Part VII of Chapter 112, Florida Statutes:

1975 – Constitutional amendment, Article X, Section 14

- Governmental pension plans must be funded on a sound actuarial basis.

1978 – Chapter 78-170, Laws of Florida (SB 14), the “Florida Protection of Public Employee Retirement Benefits Act”

- Established Part VII of Chapter 112, Florida Statutes – Actuarial soundness of public retirement systems. Local government plans required to submit actuarial reports to the Division of Retirement, but no monitoring or enforcement was established at the state level.

1979 – Chapter 79-183, Laws of Florida (HB 1046), the “Local Government Financial Responsibility Act”

- Established triennial actuarial reviews by the Division of Retirement.



Local Government Pension Plans 2011 Legislation

- A plan and recommendations for a standardized rating system to classify the financial strength of local government defined benefit plans was provided to the Governor, Speaker, and President.
- Online scorecards available that summarize the status of each plan.
- Valuations prepared after July 1, 2011, have additional reporting disclosure requirements.



Local Government Pension Plans Administration

General Employees' Plans

- Plan provisions are established by the local government's legislative body, subject to negotiation between the local government and its employees.
- Plans are administered on a local level by the boards of trustees; no statutory requirements for composition of board members.



Local Government Pension Plans Statistics

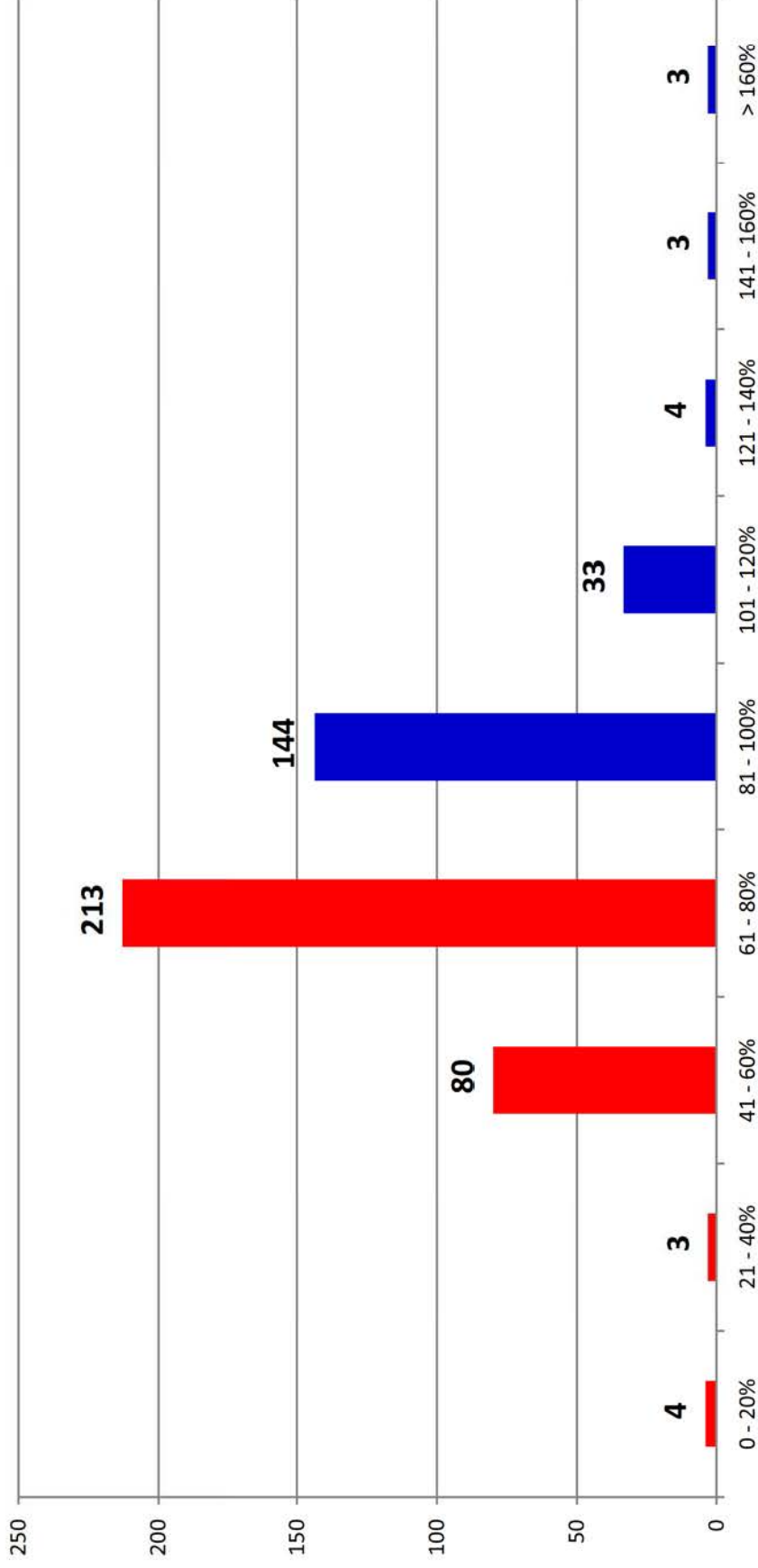
- 492 Plans
- 111,267 Active Participants
- 78,975 Inactive Participants (retirees, terminated vested)
- Approximately \$23.9 billion in plan assets invested as of 9/30/2012.
- Average funding percentage – 76.1%¹
- 61% of plans are funded at or below 80%,.
- 39% are funded above 80%.

¹ Excludes plans whose funded ratios were not within two standard deviations of the mean. Some plans are not prefunded and are represented at 0.00%.

Local Government Pension Plans Statistics



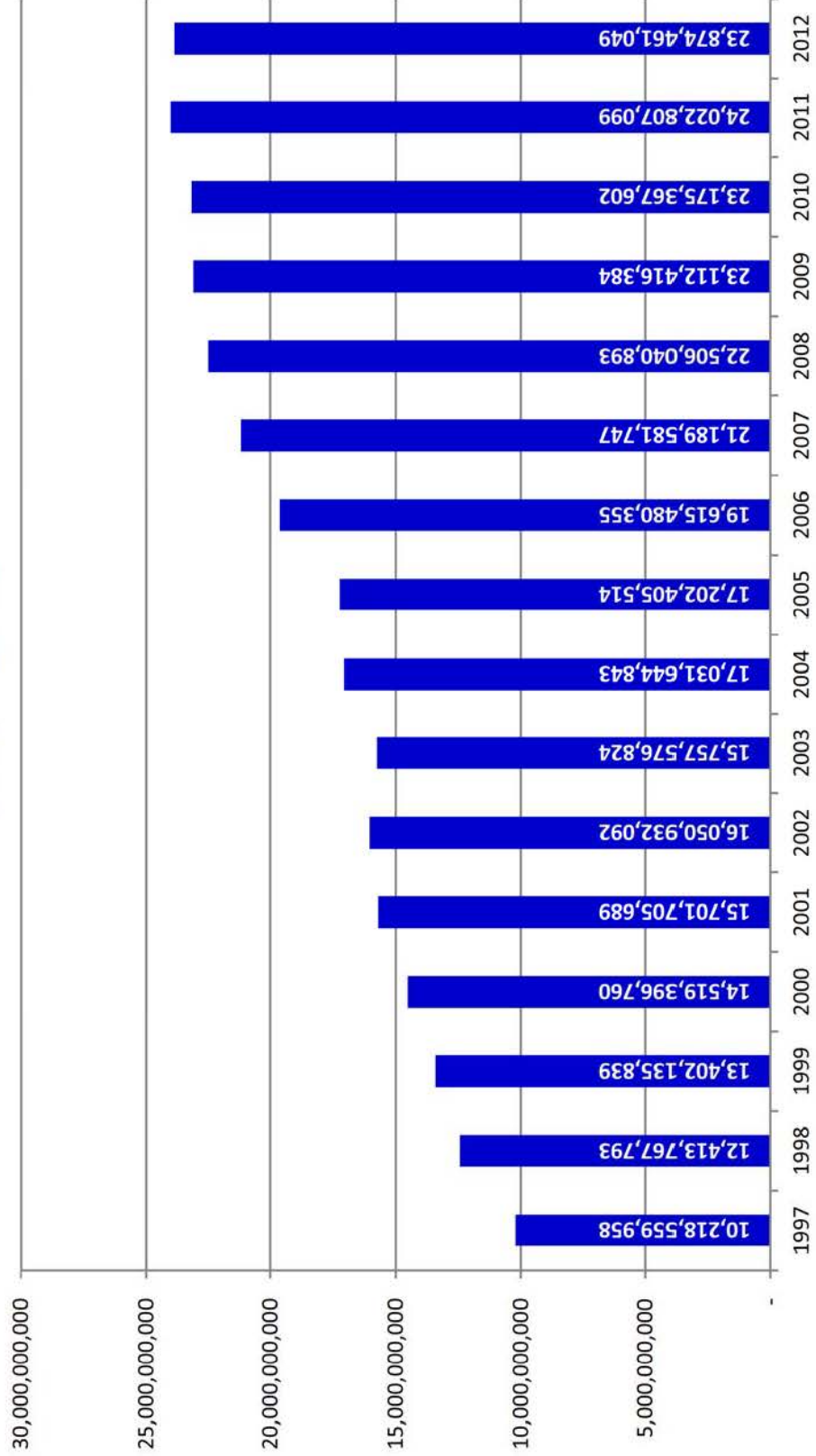
Distribution of Funded Ratios Florida Local Government Pension Plans





Local Government Pension Plans Statistics

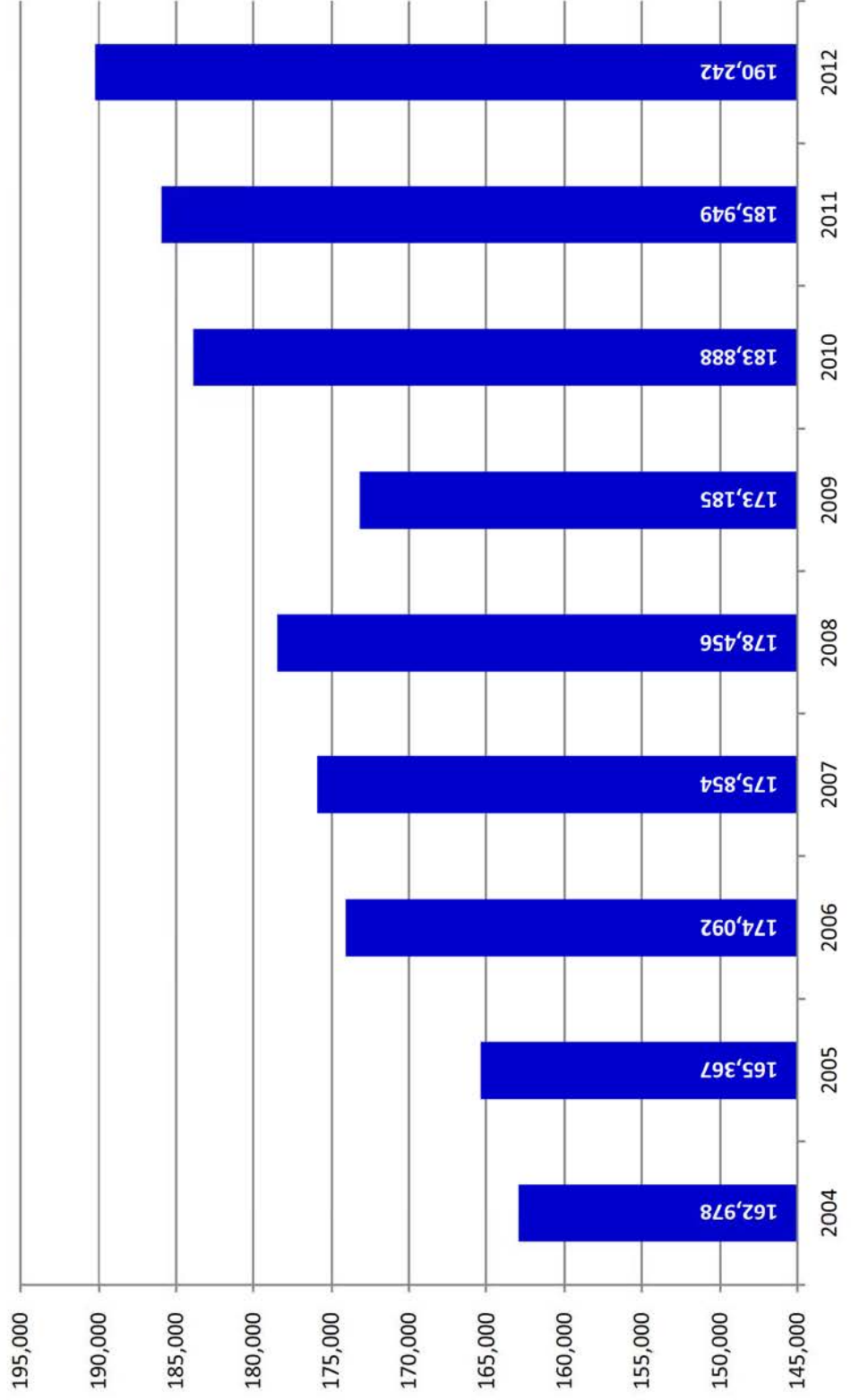
Market Value of Assets 1997 - 2012



Local Government Pension Plans Statistics



Membership History 2004 - 2012





Municipal Police and Fire Pensions State Monitoring and Enforcement

- As of September 30, 2012, 215 Florida municipalities or special districts participated under this program, operating 351 pension plans (176 police and 175 fire).
- Reviews police or fire pension plans annually for compliance with statutes, a review of proposed plan changes, and review of their annual report.
- Ensure that plans provide a uniform retirement system for the police officer and firefighter members and that the plans use the state moneys for the sole and exclusive benefit of the police officers and firefighters.
- Distributes the insurance premium tax moneys collected within the city or district limits for each plan.
 - Fire 1.85% tax on property insurance (homeowners' insurance).
 - Police 0.85% tax on casualty insurance (automobile insurance).



Municipal Police and Fire Pensions Background

1939, 1953 – Chapters 175 and 185, Florida Statutes, established.

- Uniform retirement system model created that could be followed for the benefit of municipal firefighters (175) and police officers (185).
- Access to state insurance premium tax moneys was offered as an incentive to encourage local governments to participate in the program.
- Eligibility premium tax distribution initially only required self-certification of compliance with the minimum benefits and standards set forth in the law by the fire and/or police chiefs.

1957 – Special study mandated by Legislature.

- Special study commissioned by the Legislature found that many pension plans were not actuarially sound and the state moneys were not being properly used to provide benefits to police officers and firefighters.



Municipal Police and Fire Pensions Background

1959 and many times since – Legislative action to adjust program requirements.

- Many amendments enacted to ensure statutory compliance with actuarially sound funding and updated reporting requirements.

1994 – Premium tax eligibility tied to Part VII, Chapter 112, Florida Statutes.

- Compliance with the sound actuarial funding requirements of Part VII of Chapter 112, Florida Statutes, added as a requirement to receive state premium taxes.

1999 – Chapter 99-1, Laws of Florida.

- Substantial rewrite of the statutes.
 - Clarified applicability of minimum benefits and standards to all plans.
 - Addressed use of state premium tax moneys.

2000 – 2012 Several additional amendments to Chapters 175 and 185, Florida Statutes.

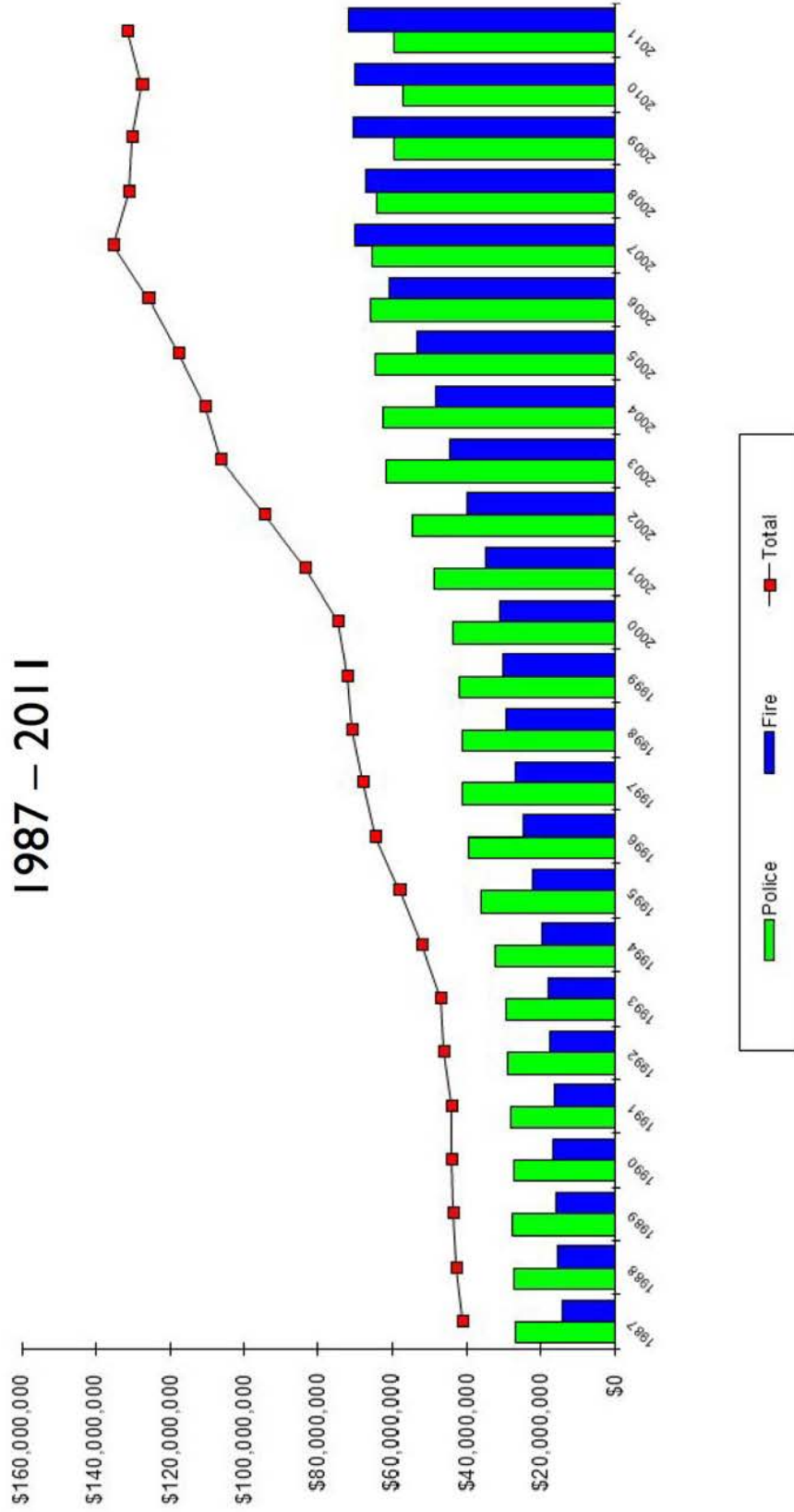


Municipal Police and Fire Pensions Plan Administration

- Plan provisions are established by the local government's legislative body, subject to negotiation between the local government and its employees and the minimum requirements established in Chapters 175 and 185, Florida Statutes.
- Plans are solely administered on a local level by independent boards of trustees.
- The composition of the boards of trustees is stipulated in Chapters 175 and 185, Florida Statutes, to consist of five board members:
 - Two members are elected members of the plan,
 - Two members are legal city residents appointed by the city or district, and
 - One member is elected by a majority of the other four trustees.



Premium Tax Distribution History

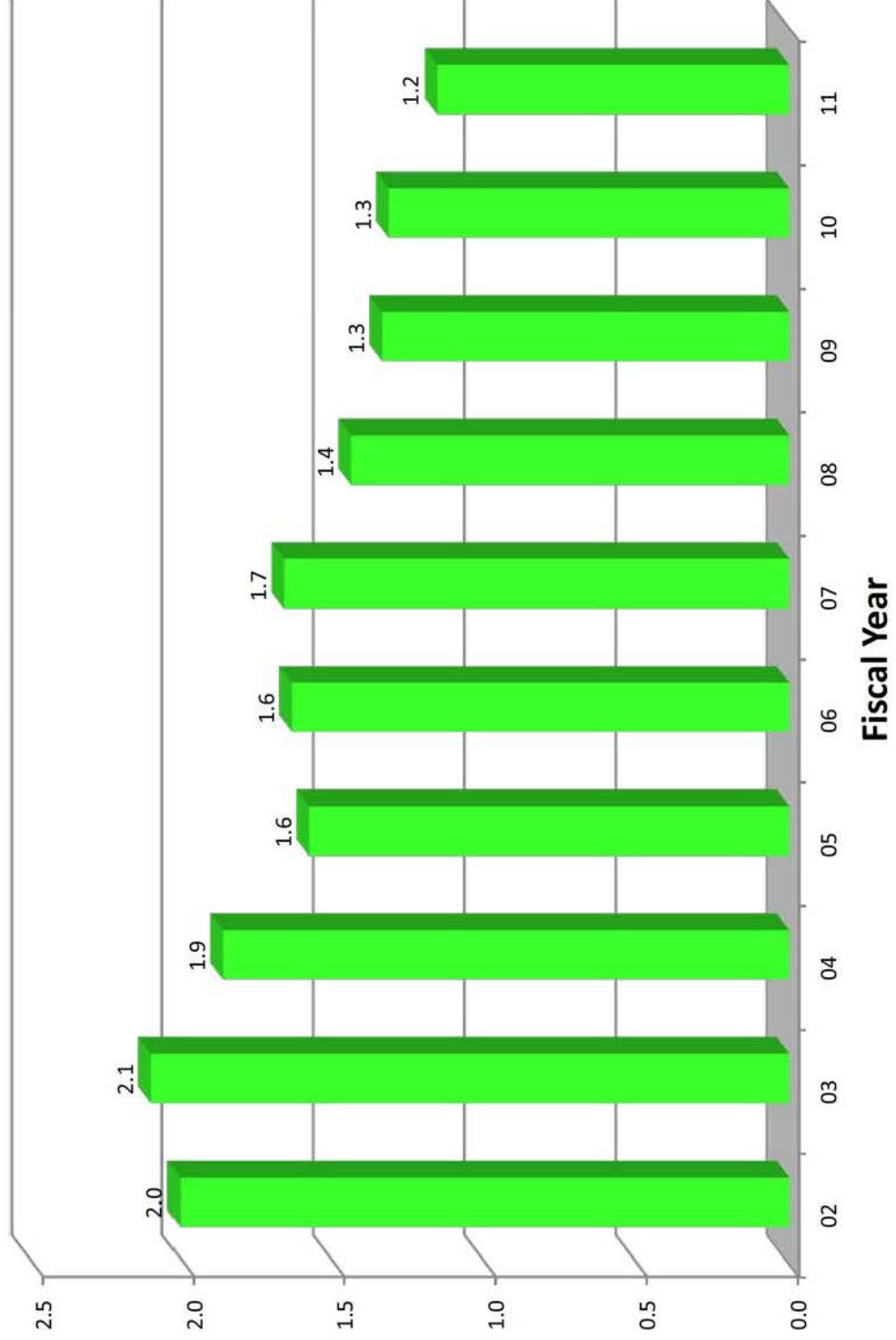


For calendar year 2011, total premium tax distributions were approximately \$131.4 million, including \$59.6 million for police and \$71.8 million for fire.



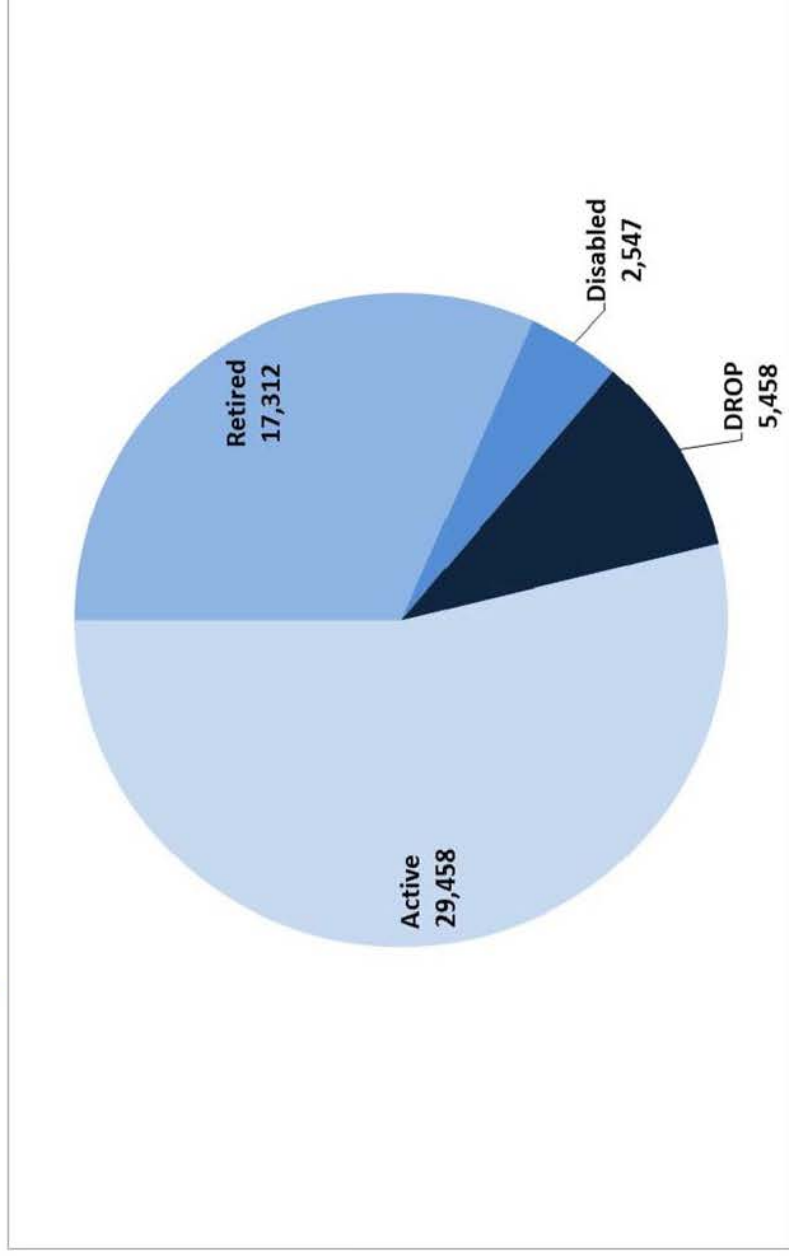
Ratio of Active Members to Retirees

2002 - 2011





Municipal Police and Fire Pensions Plan Membership Breakdown



As of September 30, 2011, the plans include approximately 54,775 members (31,065 police & 23,710 fire). The breakdown for 2012 will not be available until the summer of 2013. Participating plans had total investments of approximately \$13.9 billion.