



Florida Retirement System Pension Plan

Actuarial Valuation as of July 1, 2025

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November 24, 2025

Kathy Gould
State Retirement Director
Florida Department of Management Services, Division of Retirement

Re: Actuarial Valuation as of July 1, 2025

Dear Director Gould:

We have conducted an annual actuarial valuation of the Florida Retirement System (FRS) Pension Plan as of July 1, 2025, 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 2026 - June 2027 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 2025 valuation results were presented by the actuary to the 2025 FRS Actuarial Assumption Conference held on October 21, 2025. The assumptions are based on Milliman's most recent review of the System's experience, which was for the observation period from July 1, 2018 through June 30, 2023. Additional details on that review of System experience can be located in our October 14, 2024 and October 17, 2024 presentation materials to the 2024 FRS Actuarial Assumption Conference and our formal 2024 Experience Study report, which was issued on December 9, 2024. Both the economic and demographic assumptions used in this valuation are unchanged from those used in the prior valuation as of July 1, 2024.

Actuarial assumptions, including discount rates, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the FRS Actuarial Assumption Conference. The Assumption Conference Principals are responsible for selecting the plan's actuarial valuation methods and assumptions. The methods and assumptions used in this valuation are those that have been so adopted and are described in this report. The Florida Department of Management Services, Division of Retirement is solely responsible for communicating to Milliman any changes required thereto. All costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the System and are expected to have no significant bias. 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, 2025 ACFR in compliance with the

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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.

This valuation report is only an estimate of the System's financial condition as of a single date. It can neither predict the System's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of System benefits, only the timing of System contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

The results of this report are dependent upon future experience conforming to the assumptions disclosed in this report. Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including but not limited to, the following: 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 FRS Actuarial Assumption Conference Principals have the final decision regarding the selection of the actuarial assumptions and methods and have adopted them as summarized in this actuarial valuation report at the 2025 FRS Actuarial Assumption Conference.

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant Actuarial Standards of Practice.

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

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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.

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

- (a) The Division of Retirement may provide a copy of Milliman's work, in its entirety, to the System's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the System.
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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 the July 1, 2025 actuarial valuation of the defined benefit Florida Retirement System (FRS) Pension Plan. This valuation is used to calculate actuarially determined Pension Plan-specific employer contribution rates for the July 1, 2026 – June 30, 2027 plan year. The Pension Plan-specific contribution rates developed in this valuation report are then combined with contribution rates from the defined contribution FRS Investment Plan to create proposed blended 2026-2027 statutory employer contribution rates. The actual blended contribution rates paid by employers during the 2026-2027 plan year will be specified in Florida Statutes and determined during the 2026 session of the Florida Legislature.

The actual blended statutory employer contribution rates in effect for the 2025-2026 plan year are identical to those developed in conjunction with the July 1, 2024 actuarial valuation and the associated 2025-2026 blended rate study.

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 80.7% as of the July 1, 2024 actuarial valuation to 82.2% as of this July 1, 2025 actuarial valuation date. 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 83.7% as of the July 1, 2024 actuarial valuation to 87.3% as of this July 1, 2025 actuarial valuation date. This increase in funded status on an MVA basis is due primarily to actual plan year investment return of approximately 10.63%, which is above the assumed prior year return of 6.70%.

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 2026-2027 employer contribution rates. At a system-wide composite level, the proposed blended employer contribution rate decreased by 0.37% of payroll from 16.39% of payroll in the 2025-2026 plan year to 16.02% in the 2026-2027 plan year. Please note that the 2026-2027 blended rate study will be issued under separate cover shortly after the publication of this valuation report.

System demographic liability experience for the plan year showed an overall demographic liability actuarial experience loss of approximately \$0.9 billion, with Actuarial Liability approximately 0.4% higher than expected. Over \$0.8 billion of that demographic liability actuarial experience loss was due to plan year salary increases for individual members more than the individual member salary increase assumption in the prior valuation. At a system-average level, that level of salary experience loss is equivalent to average single-year salary increases between 1.0% and 1.5% above the long-term assumption used in the prior valuation.

The strong average investment returns over the last five plan years led to an overall investment actuarial experience gain of approximately \$3.1 billion. That investment actuarial experience gain is calculated on the smoothed AVA measure.

The MVA is greater than the smoothed AVA used for funded status and contribution rate calculations by approximately \$12.2 billion as of July 1, 2025. That \$12.2 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 if future investment experience matches the actuarial investment return assumption.

For this valuation, a long-term average annual future investment return assumption of 6.70% was selected by the 2025 FRS Actuarial Assumption Conference. That assumption matches the assumption used in the previous valuation. In our professional opinion, the 6.70% assumption is a reasonable assumption for the purpose of the

measurement per Actuarial Standards of Practice No. 27 (ASOP 27). More details on the return assumption are shown in the 2025 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 if 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.

This 2025 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 following tables compare July 1, 2024 actuarial valuation results with July 1, 2025 actuarial valuation results. The difference column shows the difference between the July 1, 2024 valuation results and the July 1, 2025 valuation results.

A. Assets, Liabilities, and Funded Status

A comparison of the Actuarial Liability and the smoothed Actuarial Value of Assets (AVA) measure follows. These figures are based upon the actuarial assumptions used to determine the actuarially calculated funding contribution 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 prior plan years. 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, 2025, the AVA is 94.3% of the MVA.

		Valuation Results (numbers in \$ billions)		
		July 1, 2024	July 1, 2025	Difference
1.	Actuarial Liability	\$237.4	\$243.6	\$6.2
2.	Actuarial Value of Assets	<u>\$191.6</u>	<u>\$200.4</u>	<u>\$8.8</u>
3.	Unfunded Actuarial Liability (1 - 2)	\$45.8	\$43.3	(\$2.5)
4.	Funded Percentage (2 / 1)	80.7%	82.2%	1.5%

Sum of the components may differ from total due to rounding.

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

As the first step in developing proposed blended statutory 2026-2027 employer contribution rates, actuarially calculated contribution rates by membership class are determined annually in the actuarial valuation. The rates developed in the annual valuation are Pension Plan-specific (prior to blending with FRS Investment Plan Payroll). 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. The rates shown in the table immediately below are prior to blending with FRS Investment Plan payroll. See Section 4 for more details on rate development for all membership classes.

	July 1, 2024 Valuation (2025-2026 Rates)		July 1, 2025 Valuation (2026-2027 Rates)		Difference	
	Regular	Special Risk	Regular	Special Risk	Regular	Special Risk
Employer Normal Cost Rate	6.32%	20.26%	6.25%	20.07%	-0.07%	-0.19%
UAL Contribution Rate	<u>6.98%</u>	<u>15.16%</u>	<u>6.57%</u>	<u>14.66%</u>	<u>-0.41%</u>	<u>-0.50%</u>
Employer Contribution Rate Prior to Blending with FRS IP Payroll	13.30%	35.42%	12.82%	34.73%	-0.48%	-0.69%

Actual contribution rates paid by employers for each class are set annually by statute and consist of Normal Cost and UAL Cost components. After the actuarial valuation's contribution rates are calculated, those actuarial valuation rates are combined with cost rates for the defined contribution FRS Investment Plan to determine proposed blended statutory employer contribution rates. The development of the proposed blended statutory rates is done in the annual Blended Rate Study, which is issued under separate cover shortly after the publication of this actuarial valuation. The proposed blended statutory rate should be considered as a minimum recommended contribution rate, based on the FRS Actuarial Assumption Conference's approved assumptions and methods.

For the 2025-2026 plan year, statutory blended contribution rates adopted by the Florida Legislature were identical to the proposed blended rates calculated in the 2025-2026 Blended Rate Study. The 2026-2027 blended statutory contribution rates will be set by the 2026 session of the Florida Legislature, with advice from this valuation and the associated 2026-2027 Blended Rate Study that will be issued shortly after the publication of this valuation.

The Unfunded Actuarial Liability (UAL) amortization payment consists primarily of contribution costs or contribution rate offsets associated with plan changes, assumption changes, differences between actual and assumed investment and liability experience, and changes in actuarial methodology. As of July 1, 2025, the FRS Pension Plan has a UAL of \$43.3 billion on a smoothed Actuarial Value of Assets basis. The UAL Cost is calculated to systematically eliminate the UAL over an amortization period identified by the FRS Actuarial Assumption Conference if actual future experience follows assumptions and contributions are made in accordance with the actuarially calculated rates.

Discussion of a Reasonable Actuarially Determined Contribution (ADC)

Actuarial Standard of Practice No. 4 requires the actuary to calculate and disclose a reasonable Actuarially Determined Contribution (ADC), which reflects actuarial methods and actuarial assumptions that follow Actuarial Standards of Practice. Based on the assumptions and methods used in this report, we believe that the actuarially calculated FRS contribution rates reflect a reasonable ADC in accordance with Actuarial Standards of Practice.

In our opinion, the actuarially calculated rates reflect a balance of benefit security for plan members, intergenerational equity among stakeholders, and stability of periodic costs.

C. Membership

The total membership (active, terminated vested, retired, and DROP) of the FRS Pension Plan decreased by 8,356 members from 1,021,850 as of July 1, 2024 to 1,013,494 as of July 1, 2025, a decrease of 0.8%. The total annualized projected payroll of non-DROP active FRS Pension Plan members increased by 1.4%, from \$27.21 billion for the 2024-2025 plan year to \$27.60 billion for the 2025-2026 plan year, a \$0.39 billion increase in that payroll measure. 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 contribution rates.

A summary of Pension Plan membership change by status follows:

	Valuation Results: Counts		
	July 1, 2024	July 1, 2025	% Change
Active Members	426,579	412,559	-3.3%
Terminated Vested Members	104,700	104,152	-0.5%
Retired Members	454,276	457,840	0.8%
DROP Members	<u>36,295</u>	<u>38,943</u>	7.3%
Total Members	1,021,850	1,013,494	-0.8%

D. Experience

Changes to assets and liabilities between July 1, 2024 and July 1, 2025 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	\$ 6.872	
▪ Payment of benefits and administrative expenses	(13.732)	
▪ Assumed plan year investment returns	12.605	
▪ Investment plan year gain/(loss) experience (on smoothed asset measure)	<u>3.054</u>	
Total plan year Actuarial Value of Assets increase*	\$ 8.799	Billion

*Sum of the components may differ from total due to rounding.

The calculated plan year investment return on the smoothed AVA measure was +8.32% compared to the prior valuation's assumed return of 6.70%. On a Market Value of Assets (MVA) basis, actual plan year investment return was +10.63%. On a year-by-year basis, calculated investment returns were as follows:

	Rates of Return ¹		
	2022/2023	2023/2024	2024/2025
Market Value	7.57%	10.32%	10.63%
Actuarial Value	7.00%	7.68%	8.32%

¹ 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 a) Normal Cost, plus b) interest-related growth in Actuarial Liability, minus c) benefit payments during plan year	\$ 5.309
▪ Changes in plan provisions	0.000
▪ Changes in assumptions	0.000

Liability Plan Year (Gain) / Loss Experience

▪ Active member salary increases different from assumption	0.813
▪ New active members	0.399
▪ Retirement and DROP entry behavior	(0.015)
▪ Inactive mortality	0.082
▪ Other demographic sources not noted above ¹	<u>(0.338)</u>
▪ Liability plan year (gain) / loss experience	0.941

Total plan year Actuarial Liability increase \$ 6.250 Billion

1. Reflects the combined effects of all other liability (gain)/loss sources for actuarial experience compared to assumptions used in the July 1, 2024 actuarial valuation. These sources 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 the published July 1, 2024 actuarial valuation results.

3. Unfunded Actuarial Liability (UAL):

The net change in the UAL of the FRS Pension Plan on the smoothed Actuarial Value of Assets (AVA) measure since the prior valuation was a decrease of \$2.549 billion, from \$45.799 billion to \$43.251 billion. The net decrease is attributable to the following:

Change due to:

▪ Expected increase/(decrease), based on the net combined effect of plan contributions received, interest, and assumed investment and demographic experience	\$(0.436)
▪ Changes in plan provisions	0.000
▪ Changes in assumptions	0.000
▪ Plan year investment (gain)/loss experience (on smoothed asset measure)	(3.054)
▪ Plan year liability (gain)/loss experience	<u>0.941</u>
Total plan year increase/(decrease) in UAL	\$(2.549) Billion

See table on the following page for gain/loss experience by membership class.

2024-2025 Plan Year (Gain)/Loss Experience¹
(\$ in Thousands)

	Regular	Special Risk	Special Risk Administrative	-- Elected Officers' Class --		Local	Senior Management	Grand Total
				Judicial	Leg-Atty-Cab			
Investment plan year (gain)/loss experience	(\$2,240,514)	(\$716,537)	(\$1,213)	(\$18,910)	(\$1,146)	(\$6,184)	(\$69,343)	(\$3,053,847)
Assumption changes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Liability plan year (gain) / loss experience by source</u>								
Plan changes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Active member salary increases different than assumption	277,633	469,864	559	(1,633)	242	13,828	52,303	812,796
New active Pension Plan members ²	254,870	46,922	(415)	9,398	3,292	23,251	62,074	399,392
Retirement and Drop Entry Behavior	(36,281)	22,953	(179)	5,597	(197)	105	(6,569)	(14,571)
Inactive Mortality	(179,476)	243,345	(1,017)	7,578	1,181	2,894	7,063	81,568
Other demographic sources not noted above ³	<u>(405,154)</u>	<u>48,232</u>	<u>3,181</u>	<u>2,033</u>	<u>1,340</u>	<u>5,214</u>	<u>6,898</u>	<u>(338,256)</u>
Liability plan year (gain) / loss experience	(\$88,408)	\$831,316	\$2,129	\$22,973	\$5,858	\$45,292	\$121,769	\$940,929

¹ 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.

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

³ Reflects the combined effects of all other liability (gain)/loss sources for actuarial demographic experience compared to assumptions used in the July 1, 2024 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 actuarially calculated employer contribution rates for each membership class changed as follows between the July 1, 2024 and July 1, 2025 actuarial valuations.

	Regular	Special Risk	Special Risk Administrative	-- Elected Officers' Class --			Senior Management
				Judicial	Leg-Atty-Cab	Local	
A. 1. July 1, 2024 Employer Normal Cost Rate	6.32%	20.26%	11.02%	15.51%	8.79%	10.37%	8.10%
2. UAL Contribution Rate	<u>6.98%</u>	<u>15.16%</u>	<u>34.93%</u>	<u>35.31%</u>	<u>78.63%</u>	<u>63.65%</u>	<u>33.29%</u>
3. Total July 1, 2024 Actuarially Calculated Employer Contribution Rate (1.+2.)	13.30%	35.42%	45.95%	50.82%	87.42%	74.02%	41.39%
B. 1. July 1, 2025 Employer Normal Cost Rate	6.25%	20.07%	10.98%	15.41%	9.20%	10.07%	7.98%
2. UAL Contribution Rate (See Table 4-11)	<u>6.57%</u>	<u>14.66%</u>	<u>36.22%</u>	<u>35.58%</u>	<u>80.69%</u>	<u>61.36%</u>	<u>33.37%</u>
3. Total July 1, 2025 Actuarially Calculated Employer Contribution Rate (1.+2.)	12.82%	34.73%	47.20%	50.99%	89.89%	71.43%	41.35%
C. Change in Total Actuarially Calculated Employer Contribution Rate (B.3.-A.3.)	-0.48%	-0.69%	1.25%	0.17%	2.47%	-2.59%	-0.04%

E. Graphs

Chart A: Assets / Liabilities

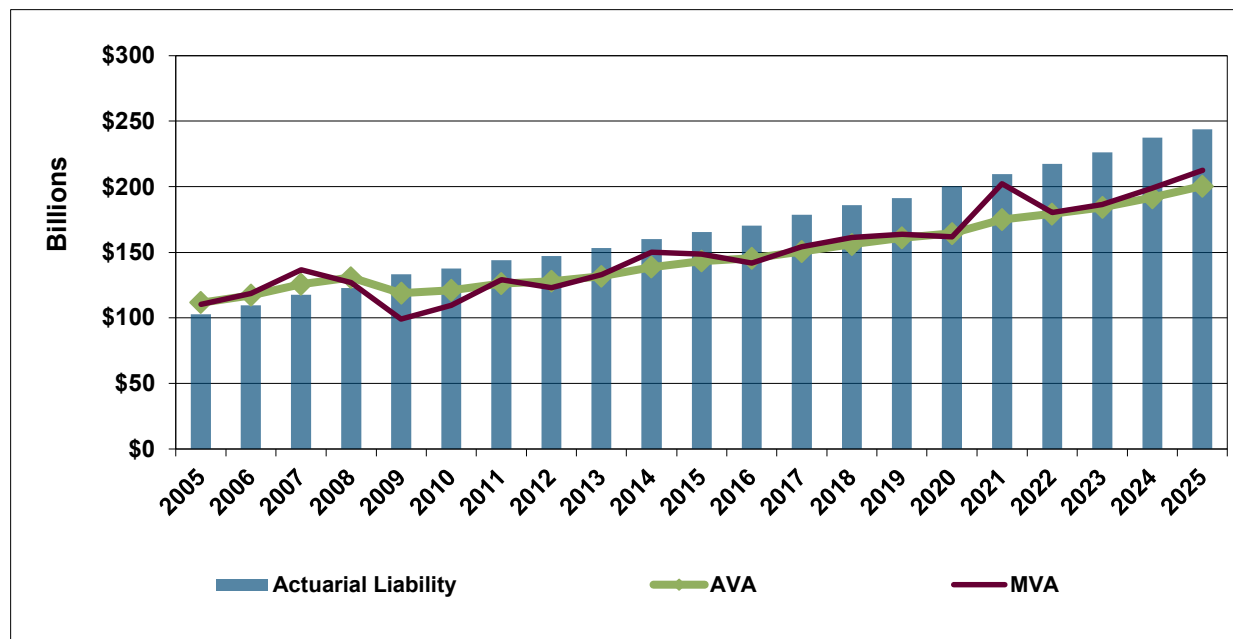


Chart B: Cash Flows

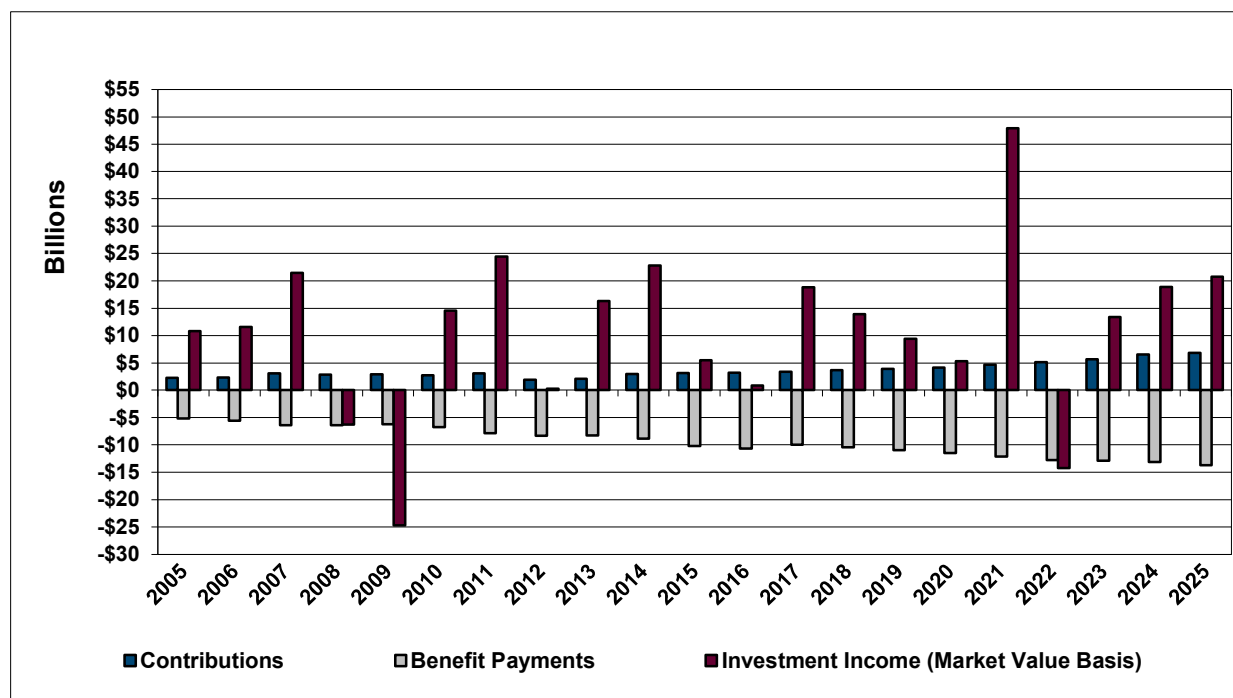


Chart C: Actuarially Calculated Pension Plan Contribution Rates¹ (as % of Payroll)

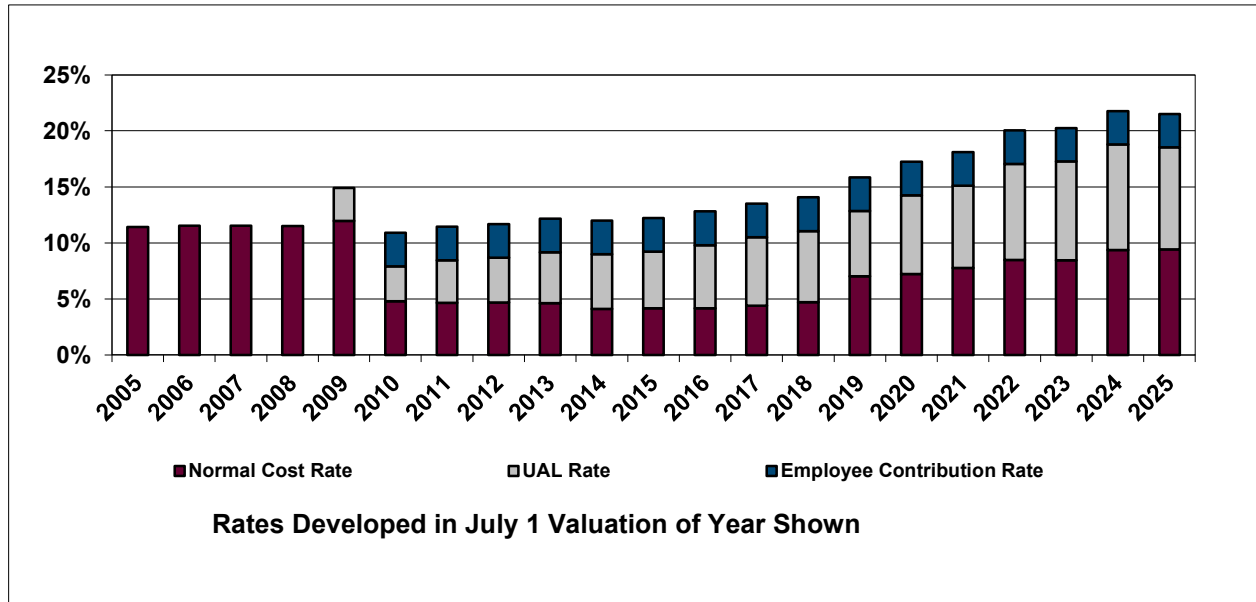
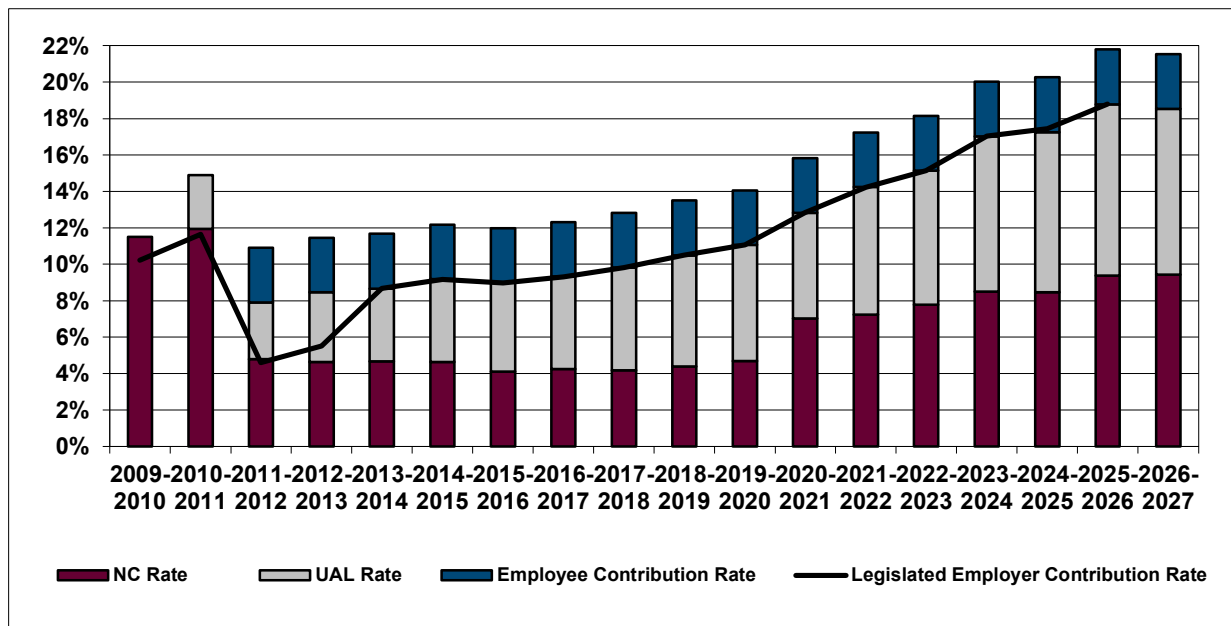


Chart D: Actuarially Calculated vs. Legislated Employer Contribution Rates¹ (as % of Payroll)



¹ 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 2024 Experience Study covered an experience observation period from July 1, 2018 to June 30, 2023. Experience studies are performed every five years and compare actual plan experience to the assumptions used in the annual valuations. This valuation reflects the assumptions changes proposed by the 2024 Experience Study and adopted by the 2024 FRS Actuarial Assumption Conference for use in the July 1, 2024 valuation.
- The 2021 FRS Actuarial Assumption Conference adopted a 20-year amortization period for UAL amortization bases established on or after July 1, 2021. Additionally, and apart from the 2019 actuarial cost allocation method change established June 30, 2019 as part of the 2019 Experience Study, bases established before July 1, 2021 were modified to have a remaining amortization period of the lesser of their current remaining amortization period or a 20-year amortization period effective with the amortization payment for the 2022-2023 fiscal year.
- This valuation reflects the 6.70% assumption for investment return first adopted by the 2022 FRS Actuarial Assumption Conference.
- Subsequent FRS Actuarial 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 37% and 38% 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. House Bill 5007 increased allocations to IP member accounts by 3% of payroll for each membership class effective July 1, 2022. Senate Bill 7024 increased the allocations to IP member accounts by an additional 2% of payroll for each membership class effective July 1, 2023. These changes may encourage a greater percentage of future System enrollees to participate in the IP over the Pension Plan compared to historically observed plan election patterns.

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 9.43%. 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 10.20%. The total DROP contribution rate (Normal Cost plus UAL Cost) in this valuation is 19.63%, compared to an actuarially calculated DROP contribution rate of 20.02% 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, 2025. 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 2025 valuation results were presented by the actuary to the 2025 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 of 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 (6.70%) 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, 2025, the AVA is 94.25% of the MVA.

Six tables are presented in this section, summarizing the financial resources of the FRS Pension Plan on July 1, 2025. Table 2-1 shows the reconciliation of valuation assets from June 30, 2024 to June 30, 2025. The assets are presented by category in Table 2-2. Table 2-3 provides a detailed development of the July 1, 2025 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 2024-2025 plan year and the two prior plan years.

The Market Value of Assets as of July 1, 2025 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

Market Value of Assets for Actuarial Valuation as of June 30, 2024	\$198,685,586,034
Contributions by Source:	
Pension Contributions - Employer	5,970,690,089
Pension Contributions - Employees	815,260,658
Transfers from IP - Second Elections	82,281,046
Purchase of Time by Employees	3,624,282
Investment Income	
Interest Income	1,870,815,692
Dividend Income	1,644,082,456
Real Estate Income	657,647,390
Securities Lending Income	51,654,680
Other	3,330,806,018
Less Investment Activity Expense	(766,662,307)
Less Securities Lending Expense	(29,673,652)
Other Income	4,867,777
Net Appreciation (Depreciation) in Fair Value	13,996,808,305
Pension Payments ¹	(12,843,297,986)
Contribution Refunds	(38,860,918)
Disbursements to IP - Second Elections	(820,590,269)
Administrative Expenses	(29,713,573)
 Market Value of Assets for Actuarial Valuation as of June 30, 2025	 \$212,585,325,722

¹ Includes Accrued DROP Liability of \$216,159,583 representing single sum DROP benefits of members who retired from DROP on or before June 30, 2025.

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

ASSETS	Market Value as of July 1,	
	2024	2025
Cash and cash equivalents	\$113,586	\$98,686
State Treasury Investment Pool	116,190	126,884
Total cash and cash equivalents	\$229,777	\$225,570
<u>Investments:</u>		
Certificates of Deposit	\$100,064	\$0
U.S. Government and Federally Guaranteed Obligations	17,932,296	16,722,294
Federal Agencies	8,359,530	9,761,983
Commercial Paper	2,745,017	4,004,907
Repurchase Agreements	1,600,000	1,500,000
International Bonds and Notes	3,322,255	4,525,554
Bonds and Notes	13,200,144	14,016,600
Real Estate Contracts	15,577,635	16,321,195
Mutual Funds	0	0
Short Term Investment Funds	28,090	144,679
Domestic Equity / Domestic Equity Commingled	57,446,035	63,225,287
Alternative Investment	43,893,436	44,479,670
International Equity	35,233,380	36,966,631
Other Investments	21,422	79,819
Total Investments	\$199,459,304	\$211,748,620
<u>Receivables:</u>		
Contributions receivable	468,426	480,990
Pending Investment Sales	2,984,889	1,918,568
Forward Contracts receivable	0	0
Other Receivables	1,127,890	1,446,278
Total receivables	\$4,581,205	\$3,845,836
Security Lending Collateral	\$251,218	\$1,176,851
Prepaid items; Furniture & Equipment net Accumulated Depreciation	(2,342)	(3,344)
Right-of-Use Lease	17,205	17,133
Restatement of beginning net position	N/A	N/A
Total Assets	\$204,536,367	\$217,010,666
LIABILITIES		
Accrued DROP liability ²	190,615	216,160
Obligations under Security Lending Agreements	251,237	1,177,415
Pending Investment Purchases	4,683,450	2,064,322
Pending Spot for Trades Payable	214,651	121,739
Lease Liability	14,854	14,109
Other Liabilities and Payables	493,345	830,557
Total Liabilities	\$5,848,152	\$4,424,302
DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES		
Deferred outflows related to other postemployment benefits	4,866	5,229
Deferred inflows related to pension amounts	0	0
Deferred inflows related to other post employment benefits	(7,495)	(6,267)
Net Deferred Inflows and Outflows of Resources	(\$2,629)	(\$1,038)
FIDUCIARY NET POSITION		
Held in trust for pension benefits	\$198,685,586	\$212,585,326

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

² 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 2025 Actuarial Value of Assets

1. FRS Market Value of Assets on June 30, 2024 for Actuarial Valuation	\$198,685,586,034
2. Actuarial Value of Assets on July 1, 2024	\$191,571,243,909
3. 2024/2025 Net Cash Flow (Contributions less Benefits and Administrative Expenses)	(\$6,860,606,671)
4. Preliminary Actuarial Value of Assets, July 1, 2025, if Items 2 and 3 earned an assumed rate of 6.70%	\$197,316,080,257
5. Market Value of Assets, June 30, 2025 for Actuarial Valuation	\$212,585,325,722
6. Net Assets (Actuarial Value Basis) Available for Benefits Prior to Application of 80%/20% Corridor 4 + ((5 - 4) x 20%)	\$200,369,929,350
7. 120% of Market Value [120% (5)]	\$255,102,390,866
8. 80% of Market Value [80% (5)]	\$170,068,260,578
9. Actuarial Value of Assets on July 1, 2025 Lesser of (6) and (7), but not less than (8)	\$200,369,929,350
10. Ratio of July 1, 2025 Actuarial Value of Assets to Market Value on June 30, 2025 for Actuarial Valuation	<u>94.25%</u>

Table 2-4
Florida Retirement System Pension Plan
Development of Actuarial Value of Assets
by Membership Class¹
(\$ in Thousands)

	Regular	Special Risk	Special Risk Administrative	-- Elected Officers' Class --			Senior Management	DROP	Total System
				Judicial	Leg-Atty-Cab	Local			
1. Allocated Actuarial Value of Assets by Class, July 1, 2024	\$128,419,940	\$39,814,951	\$73,504	\$1,075,552	\$65,513	\$336,876	\$3,828,335	\$17,956,573	\$191,571,244
2. Total Contribution for the Plan Year	3,527,831	2,166,264	2,165	77,382	9,839	67,930	380,256	640,189	6,871,856
3. Benefit Payments and other Disbursements	(9,739,451)	(2,781,398)	(9,769)	(116,850)	(12,581)	(66,046)	(408,491)	(597,877)	(13,732,463)
4. Allocated Investment Earnings on AVA Basis	10,430,109	3,288,267	5,801	87,878	5,339	28,117	317,464	1,496,317	15,659,292
5. Unadjusted Actuarial Value of Assets (1) + (2) + (3) + (4)	132,638,429	42,488,084	71,701	1,123,962	68,110	366,877	4,117,564	19,495,202	200,369,929
6. Net Reallocation (see Table 2-5)	(668,613)	(282,895)	(279)	(10,105)	(620)	(2,608)	(33,176)	998,296	0
7. Allocated Actuarial Value of Assets by Class, July 1, 2025: (5) + (6)	\$131,969,816	\$42,205,189	\$71,422	\$1,113,857	\$67,490	\$364,269	\$4,084,388	\$20,493,498	\$200,369,929

¹ 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, 2025								\$24,916,108	\$243,620,457
2. Unadjusted Actuarial Value of Assets, July 1, 2025 prior to reallocation								19,495,202	200,369,929
3. Unfunded Actuarial Liability (UAL): (1) - (2)								\$5,420,906	\$43,250,528
4. Aggregate Funded Percentage: (2) / (1)								78.24%	82.25%
5. DROP Assets Required to Meet Aggregate Funded Percentage: (1) x (4) [Total System] - (2)								\$998,296	
6. Proportion of DROP Liability by Class	0.6698	0.2834	0.0003	0.0101	0.0006	0.0026	0.0332	N/A	1.0000
7. Assets to be Reallocated	(\$668,613)	(\$282,895)	(\$279)	(\$10,105)	(\$620)	(\$2,608)	(\$33,176)	\$998,296	\$0

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

<u>Asset Bases</u>	<u>2022/2023</u>	<u>2023/2024</u>	<u>2024/2025</u>
Market Value	7.57%	10.32%	10.63%
Actuarial Value	7.00%	7.68%	8.32%

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, 2025. 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 proposed blended 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 2024 valuation and the 2025 valuation. In Table 3-2, the 2025 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 who elected to participate in the FRS Investment Plan upon its implementation. 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 membership 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, 2024 Valuation	July 1, 2025 Valuation
1. Actuarial Liabilities for:		
(a) Active Members	\$73,019,887	\$74,185,183
(b) Retired, Disabled and Beneficiary Members	135,469,473	137,787,216
(c) Terminated Vested Members	6,632,666	6,731,950
(d) DROP	22,248,263	24,916,108
2. Total Actuarial Liability	\$237,370,289	\$243,620,457
3. Actuarial Value of Assets	\$191,571,244	\$200,369,929
4. Unfunded Actuarial Liability / (Surplus)	\$45,799,045	\$43,250,528
5. Investment Plan Contingent Liability ¹	\$205,289	\$205,088
6. Surplus Available for Rate Reduction	\$0	\$0

¹ See Table 3-3.

Table 3-2
Florida Retirement System Pension Plan
Actuarial Liabilities by Membership Class
July 1, 2025
(\$ in Thousands)

	Regular	Special Risk	Special Risk Administrative	Judicial	-- Elected Officers' Class -- Leg-Atty-Cab	Local	Senior Management	DROP	Total System
1. Present Value of Benefits for:									
a. Active Members	\$65,716,326	\$37,696,694	\$25,614	\$736,281	\$30,362	\$238,042	\$2,789,677	\$0	\$107,232,996
b. Retired, Disabled and Beneficiary Members	99,714,204	31,689,960	69,508	1,178,092	103,963	590,829	4,440,660	24,916,108	162,703,324
c. Terminated Vested Members	<u>5,658,579</u>	<u>765,190</u>	<u>1,084</u>	<u>18,287</u>	<u>13,216</u>	<u>25,445</u>	<u>250,149</u>	<u>0</u>	<u>6,731,950</u>
d. Total Present Value of Benefits (a)+(b)+(c)	171,089,109	70,151,844	96,206	1,932,660	147,541	854,316	7,480,486	24,916,108	276,668,270
2. Present Value of Future Normal Cost (Actives):	\$16,665,568	\$15,528,006	\$5,134	\$224,570	\$5,229	\$43,695	\$575,611	\$0	\$33,047,813
3. Actuarial Liabilities for:									
a. Active Members (1a) - (2)	\$49,050,758	\$22,168,688	\$20,480	\$511,711	\$25,133	\$194,347	\$2,214,066	\$0	\$74,185,183
b. Retired, Disabled and Beneficiary Members (1b)	99,714,204	31,689,960	69,508	1,178,092	103,963	590,829	4,440,660	24,916,108	162,703,324
c. Terminated Vested Members (1c)	<u>5,658,579</u>	<u>765,190</u>	<u>1,084</u>	<u>18,287</u>	<u>13,216</u>	<u>25,445</u>	<u>250,149</u>	<u>0</u>	<u>6,731,950</u>
d. Total Actuarial Liability (a)+(b)+(c)	\$154,423,541	\$54,623,838	\$91,072	\$1,708,090	\$142,312	\$810,621	\$6,904,875	\$24,916,108	\$243,620,457
4. Actuarial Value of Assets	<u>\$131,969,816</u>	<u>\$42,205,189</u>	<u>\$71,422</u>	<u>\$1,113,857</u>	<u>\$67,490</u>	<u>\$364,269</u>	<u>\$4,084,388</u>	<u>\$20,493,498</u>	<u>\$200,369,929</u>
5. Unfunded Actuarial Liability / (Surplus)	\$22,453,725	\$12,418,649	\$19,650	\$594,233	\$74,822	\$446,352	\$2,820,487	\$4,422,610 ¹	\$43,250,528
6. Present Value of Future Pay	\$187,987,306	\$69,087,044	\$39,062	\$1,250,714	\$43,736	\$344,320	\$5,449,234	\$0	\$264,201,416

¹ 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, 2025
(\$ 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, 2024</u>									
Contingent Liability	\$188,132	\$7,360	\$0	(\$609)	\$93	\$23	\$10,290	NA	\$205,289
Participant Counts	2,885	75	0	2	1	1	85	NA	3,049
<u>As of July 1, 2025</u>									
Contingent Liability ^{1 & 2}	\$187,238	\$7,330	\$0	(\$325)	\$99	\$25	\$10,721	NA	\$205,088
Participant Counts	2,691	70	0	1	1	1	83	NA	2,847

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

² The contingent liability as of July 1, 2025 is calculated as the July 1, 2003 contingent liability increased by 22 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, 2026 based on the July 1, 2025 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, 2026.

First, we present a description of the actuarial method used to determine the actuarially calculated FRS Pension Plan-specific contribution rates for the 2026-2027 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. 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 FRS Pension Plan-specific contribution rates calculated in this valuation are subsequently blended with contribution rates for the FRS Investment Plan to develop proposed blended statutory contribution rates for the Plan Year beginning July 1, 2026.

When reviewing Tables 4-2 through 4-10, please consider the following notes:

- The 2025-2026 amortization factors are based on the assumptions used in the July 1, 2024 actuarial valuation, which determined actuarially calculated contribution rates for 2025-2026.
- The 2026-2027 amortization factors are based on the assumptions used in the July 1, 2025 actuarial valuation, which determines actuarially calculated contribution rates for 2026-2027.
- Unlike all other bases, which are amortized as a level percentage of UAL payroll over a specified period, the credit base for the 2019 Method Change is amortized over a closed period in a manner that mirrors the projected payroll for the closed Tier I population of the FRS Pension Plan. Please see pages A-2 and A-3 for further explanation and the amortization schedule. The 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.
- The 2024-2025 Experience (Gains)/Losses developed in these tables are derived using a methodology which assumes 2024-2025 UAL contributions precisely equaled 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 2024-2025 contributions.

The UAL amortization methodology 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. Beginning with the 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 3.50% 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 cover both interest and principal, and the unamortized UAL as a dollar amount will be projected to decrease in each subsequent year.

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 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, only the allocation to past service. 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 2026-2027 employer contribution rates for the FRS Pension Plan prior to blending with FRS Investment Plan contribution rates to create 2026-2027 proposed blended 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. For the 2025-2026 plan year, the payroll base for UAL Cost contributions includes approximately \$4.0 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 Uniform Blended employer contribution rates to those calculated in the actuarial valuations and annual Blended Rate Studies for the two prior plan years. The legislated rates for all plan years since and including 2013-2014 have been equal to or greater than the actuarially calculated rates determined in the applicable Blended Rate Studies, (as subsequently modified to reflect the effects of legislation enacted subsequent to publication of the valuation reports, when applicable).

Table 4-1
Florida Retirement System Pension Plan
Normal Cost Rates by Decrement
July 1, 2025

	<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>Total</u>
				<u>Judicial</u>	<u>Leg-Atty-Cab</u>	<u>Local</u>			
1. Vested Benefits and Early Retirement	1.72%	2.48%	2.86%	1.47%	6.45%	4.43%	2.40%	NA	1.91%
2. Regular Retirement	7.05%	19.02%	10.71%	16.19%	5.29%	8.11%	8.09%	NA	9.79%
3. Non-Duty Death	0.13%	0.15%	0.15%	0.46%	0.19%	0.25%	0.17%	NA	0.14%
4. Line of Duty Death	0.01%	0.30%	0.01%	0.02%	0.01%	0.02%	0.01%	NA	0.08%
5. Non-Duty Disability	0.11%	0.14%	0.12%	0.24%	0.12%	0.12%	0.13%	NA	0.12%
6. Line of Duty Disability	0.01%	0.82%	0.01%	0.01%	0.01%	0.01%	0.01%	NA	0.19%
7. Refund of Employee Contributions	<u>0.22%</u>	<u>0.16%</u>	<u>0.12%</u>	<u>0.02%</u>	<u>0.13%</u>	<u>0.13%</u>	<u>0.17%</u>	<u>NA</u>	<u>0.20%</u>
8. Total Normal Cost Rate	9.25%	23.07%	13.98%	18.41%	12.20%	13.07%	10.98%	NA	12.43%
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	6.25%	20.07%	10.98%	15.41%	9.20%	10.07%	7.98%	9.43% ¹	9.43%

¹ DROP Normal Cost Rate is set equivalent to the Pension Plan composite Normal Cost rate.

Table 4-2 (page 1 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025
Composite Plan

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
1999	1999 Assumption Changes	5	(\$209,919)	4.5587	(\$46,048)	4	(\$176,418)	3.7016	(\$47,660)
2000	SR 65% ILOD Disability	6	(1,535)	5.3901	(285)	5	(1,344)	4.5587	(295)
2000	SR 12% Pre-2000 Retired Benefit Increase	6	195,509	5.3901	36,272	5	171,141	4.5587	37,542
2004	2004 Assumption Change	10	(2,842,488)	8.4736	(335,451)	9	(2,686,428)	7.7376	(347,192)
2009	2009 Assumption Change	15	6,598,175	11.8357	557,483	14	6,464,396	11.2036	576,995
2009	2008-2009 Experience (Gains) / Losses	15	20,705,970	11.8357	1,749,457	14	20,286,156	11.2036	1,810,688
2009	Unrecognized (Gains)/Losses while in Surplus	15	(6,056,679)	11.8357	(511,732)	14	(5,933,880)	11.2036	(529,642)
2009	2009-2010 Plan Changes (HB 479)	15	(1,252,114)	11.8357	(105,792)	14	(1,226,727)	11.2036	(109,494)
2010	2009-2010 Experience (Gains) / Losses	16	1,145,450	12.4488	92,013	15	1,127,150	11.8357	95,233
2010	2010-2011 Plan Changes (SB 2100)	16	(1,254,678)	12.4488	(100,787)	15	(1,234,633)	11.8357	(104,315)
2011	2010-2011 Experience (Gains) / Losses	17	2,838,504	13.0435	217,618	16	2,803,894	12.4488	225,234
2012	2011-2012 Experience (Gains) / Losses	17	(114,915)	13.0435	(8,810)	16	(113,514)	12.4488	(9,118)
2013	2012-2013 Experience (Gains) / Losses	17	2,910,981	13.0435	223,174	16	2,875,488	12.4488	230,985
2014	2014 Assumption/Method Changes	17	2,098,612	13.0435	160,893	16	2,073,023	12.4488	166,524
2014	2013-2014 Experience (Gains) / Losses	17	(2,846,223)	13.0435	(218,209)	16	(2,811,519)	12.4488	(225,847)
2015	2014-2015 Experience (Gains) / Losses	17	584,172	13.0435	44,786	16	577,049	12.4488	46,354
2016	2016 SR 100% ILOD Death	17	44,612	13.0435	3,420	16	44,068	12.4488	3,540
2016	2016 Assumption Changes	17	1,182,152	13.0435	90,631	16	1,167,738	12.4488	93,803
2016	2015-2016 Experience (Gains) / Losses	17	1,301,859	13.0435	99,809	16	1,285,985	12.4488	103,302
2017	2017 SR 100% ILOD Death	17	93,059	13.0435	7,134	16	91,924	12.4488	7,384
2017	2017 Assumption Changes	17	2,324,968	13.0435	178,247	16	2,296,619	12.4488	184,485
2017	2016-2017 Experience (Gains) / Losses	17	513,041	13.0435	39,333	16	506,785	12.4488	40,710
2018	2018 Assumption Changes	17	2,380,974	13.0435	182,541	16	2,351,943	12.4488	188,929
2018	2017-2018 Experience (Gains) / Losses	17	(799,489)	13.0435	(61,294)	16	(789,741)	12.4488	(63,439)
2019	SR Cancer Presumption Disability & Death	17	11,621	13.0435	891	16	11,479	12.4488	922
2019	2019 Assumption Changes	17	4,285,625	13.0435	328,563	16	4,233,371	12.4488	340,063
2019	2019 Method Changes	n/a	(2,840,582)	8.0917	(351,048)	n/a	(2,668,283)	7.8371	(340,468)
2019	2018-2019 Experience (Gains) / Losses	17	(427,945)	13.0435	(32,809)	16	(422,727)	12.4488	(33,957)

Table 4-2 (page 2 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025
Composite Plan

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
2020	2020 Assumption Changes	17	4,092,897	13.0435	313,787	16	4,042,992	12.4488	324,770
2020	2019-2020 Experience (Gains) / Losses	17	1,693,994	13.0435	129,872	16	1,673,339	12.4488	134,418
2021	2021 Assumption Changes	17	4,905,752	13.0435	376,106	16	4,845,936	12.4488	389,270
2021	2020-2021 Experience (Gains) / Losses	17	(6,872,128)	13.0435	(526,861)	16	(6,788,336)	12.4488	(545,301)
2022	Plan Changes (HB 5007, HB 689, and SB 838)	18	104,682	13.6204	7,686	17	103,757	13.0435	7,955
2022	2022 Assumption Changes	18	2,570,126	13.6204	188,696	17	2,547,409	13.0435	195,300
2022	2021-2022 Experience (Gains) / Losses	18	951,607	13.6204	69,866	17	943,196	13.0435	72,311
2023	2023-2024 Plan Changes (SB 7024)	19	1,415,656	14.1801	99,834	18	1,407,381	13.6204	103,329
2023	2022-2023 Experience (Gains) / Losses	19	2,339,123	14.1801	164,959	18	2,325,449	13.6204	170,732
2024	2024 Assumption Changes	20	4,933,891	14.7229	335,117	19	4,918,300	14.1801	346,846
2024	2023-2024 Experience (Gains) / Losses	20	(940,983)	14.7229	(63,913)	19	(938,009)	14.1801	(66,150)
2025	2024-2025 Experience (Gains) / Losses		(2,512,807)			20	(2,681,165)	14.7229	(182,109)
UAL as of Valuation Date			\$43,250,528		\$3,335,151		\$42,703,246	Total:	\$3,292,639
Projected FY 2026-2027 UAL Payroll Excluding FRS Investment Plan Payroll:									\$36,198,754
FY 2026-2027 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:									9.10%

Totals are sums of numbers on both this page and the prior page.

Table 4-3 (page 1 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025
Regular Class

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
1999	1999 Assumption Changes	5	(\$159,915)	4.5587	(\$35,079)	4	(\$134,395)	3.7016	(\$36,307)
2004	2004 Assumption Change	10	(2,511,191)	8.4736	(296,354)	9	(2,373,320)	7.7376	(306,726)
2009	2009 Assumption Change	15	5,367,240	11.8357	453,481	14	5,258,419	11.2036	469,352
2009	2008-2009 Experience (Gains) / Losses	15	32,971,780	11.8357	2,785,801	14	32,303,276	11.2036	2,883,304
2009	Unrecognized (Gains)/Losses while in Surplus	15	(25,863,371)	11.8357	(2,185,209)	14	(25,338,991)	11.2036	(2,261,691)
2009	2009-2010 Plan Changes (HB 479)	15	(984,366)	11.8357	(83,170)	14	(964,408)	11.2036	(86,081)
2010	2009-2010 Experience (Gains) / Losses	16	1,276,891	12.4488	102,572	15	1,256,491	11.8357	106,162
2010	2010-2011 Plan Changes (SB 2100)	16	(1,620,969)	12.4488	(130,211)	15	(1,595,072)	11.8357	(134,768)
2011	2010-2011 Experience (Gains) / Losses	17	1,404,105	13.0435	107,648	16	1,386,984	12.4488	111,415
2012	2011-2012 Experience (Gains) / Losses	17	509,860	13.0435	39,089	16	503,643	12.4488	40,457
2013	2012-2013 Experience (Gains) / Losses	17	1,768,290	13.0435	135,568	16	1,746,729	12.4488	140,313
2014	2014 Assumption/Method Changes	17	614,453	13.0435	47,108	16	606,961	12.4488	48,757
2014	2013-2014 Experience (Gains) / Losses	17	(1,289,437)	13.0435	(98,856)	16	(1,273,715)	12.4488	(102,316)
2015	2014-2015 Experience (Gains) / Losses	17	772,286	13.0435	59,208	16	762,870	12.4488	61,281
2016	2016 Assumption Changes	17	801,183	13.0435	61,424	16	791,414	12.4488	63,574
2016	2015-2016 Experience (Gains) / Losses	17	1,339,313	13.0435	102,680	16	1,322,983	12.4488	106,274
2017	2017 Assumption Changes	17	1,559,869	13.0435	119,589	16	1,540,849	12.4488	123,775
2017	2016-2017 Experience (Gains) / Losses	17	(320,993)	13.0435	(24,609)	16	(317,079)	12.4488	(25,471)
2018	2018 Assumption Changes	17	1,579,716	13.0435	121,111	16	1,560,455	12.4488	125,350
2018	2017-2018 Experience (Gains) / Losses	17	(1,145,139)	13.0435	(87,794)	16	(1,131,176)	12.4488	(90,866)
2019	2019 Assumption Changes	17	4,153,158	13.0435	318,407	16	4,102,518	12.4488	329,552
2019	2019 Method Changes	n/a	(1,585,250)	8.0917	(195,910)	n/a	(1,489,095)	7.8371	(190,006)
2019	2018-2019 Experience (Gains) / Losses	17	(591,686)	13.0435	(45,362)	16	(584,472)	12.4488	(46,950)

Table 4-3 (page 2 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025
Regular Class

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
2020	2020 Assumption Changes	17	2,688,922	13.0435	206,150	16	2,656,136	12.4488	213,365
2020	2019-2020 Experience (Gains) / Losses	17	1,186,191	13.0435	90,941	16	1,171,728	12.4488	94,124
2021	2021 Assumption Changes	17	3,249,341	13.0435	249,115	16	3,209,722	12.4488	257,834
2021	2020-2021 Experience (Gains) / Losses	17	(5,048,289)	13.0435	(387,034)	16	(4,986,735)	12.4488	(400,580)
2022	2022 Assumption Changes	18	1,708,785	13.6204	125,457	17	1,693,681	13.0435	129,848
2022	2021-2022 Experience (Gains) / Losses	18	502,691	13.6204	36,907	17	498,248	13.0435	38,199
2023	2023-2024 Plan Changes (SB 7024)	19	234,986	14.1801	16,572	18	233,612	13.6204	17,152
2023	2022-2023 Experience (Gains) / Losses	19	1,169,483	14.1801	82,474	18	1,162,646	13.6204	85,360
2024	2024 Assumption Changes	20	2,452,952	14.7229	166,608	19	2,445,201	14.1801	172,439
2024	2023-2024 Experience (Gains) / Losses	20	(1,269,104)	14.7229	(86,199)	19	(1,265,093)	14.1801	(89,216)
2025	2024-2025 Experience (Gains) / Losses		<u>(2,468,058)</u>			20	<u>(2,633,418)</u>	14.7229	<u>(178,866)</u>
UAL as of Valuation Date			\$22,453,725		\$1,772,123		\$22,127,598	Total:	\$1,668,043
Projected FY 2026-2027 UAL Payroll Excluding FRS Investment Plan Payroll:									\$25,390,551
FY 2026-2027 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:									6.57%

Totals are sums of numbers on both this page and the prior page.

Table 4-4 (page 1 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025
Special Risk Class

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
1999	1999 Assumption Changes	5	(\$48,415)	4.5587	(\$10,620)	4	(\$40,689)	3.7016	(\$10,992)
2000	SR 65% ILOD Disability	6	(1,566)	5.3901	(290)	5	(1,371)	4.5587	(301)
2000	SR 12% Pre-2000 Retired Benefit Increase	6	195,509	5.3901	36,272	5	171,141	4.5587	37,542
2004	2004 Assumption Change	10	(513,014)	8.4736	(60,542)	9	(484,848)	7.7376	(62,661)
2009	2009 Assumption Change	15	527,177	11.8357	44,541	14	516,489	11.2036	46,100
2009	2008-2009 Experience (Gains) / Losses	15	7,264,371	11.8357	613,770	14	7,117,086	11.2036	635,252
2009	Unrecognized (Gains)/Losses while in Surplus	15	(2,410,515)	11.8357	(203,666)	14	(2,361,641)	11.2036	(210,794)
2009	2009-2010 Plan Changes (HB 479)	15	(183,855)	11.8357	(15,534)	14	(180,127)	11.2036	(16,078)
2010	2009-2010 Experience (Gains) / Losses	16	(405,680)	12.4488	(32,588)	15	(399,198)	11.8357	(33,728)
2010	2010-2011 Plan Changes (SB 2100)	16	453,316	12.4488	36,414	15	446,074	11.8357	37,689
2011	2010-2011 Experience (Gains) / Losses	17	261,671	13.0435	20,061	16	258,481	12.4488	20,764
2012	2011-2012 Experience (Gains) / Losses	17	(568,558)	13.0435	(43,589)	16	(561,626)	12.4488	(45,115)
2013	2012-2013 Experience (Gains) / Losses	17	506,115	13.0435	38,802	16	499,944	12.4488	40,160
2014	2014 Assumption/Method Changes	17	1,385,079	13.0435	106,189	16	1,368,190	12.4488	109,905
2014	2013-2014 Experience (Gains) / Losses	17	(903,126)	13.0435	(69,239)	16	(892,114)	12.4488	(71,663)
2015	2014-2015 Experience (Gains) / Losses	17	(17,820)	13.0435	(1,366)	16	(17,603)	12.4488	(1,414)
2016	2016 SR 100% ILOD Death	17	44,612	13.0435	3,420	16	44,068	12.4488	3,540
2016	2016 Assumption Changes	17	255,002	13.0435	19,550	16	251,892	12.4488	20,234
2016	2015-2016 Experience (Gains) / Losses	17	223,162	13.0435	17,109	16	220,441	12.4488	17,708
2017	2017 SR 100% ILOD Death	17	93,059	13.0435	7,134	16	91,924	12.4488	7,384
2017	2017 Assumption Changes	17	507,117	13.0435	38,879	16	500,934	12.4488	40,240
2017	2016-2017 Experience (Gains) / Losses	17	505,973	13.0435	38,791	16	499,804	12.4488	40,149
2018	2018 Assumption Changes	17	531,833	13.0435	40,774	16	525,348	12.4488	42,201
2018	2017-2018 Experience (Gains) / Losses	17	204,681	13.0435	15,692	16	202,185	12.4488	16,241
2019	SR Cancer Presumption Disability & Death	17	11,621	13.0435	891	16	11,479	12.4488	922
2019	2019 Assumption Changes	17	(26,323)	13.0435	(2,018)	16	(26,002)	12.4488	(2,089)
2019	2019 Method Changes	n/a	(1,171,303)	8.0917	(144,753)	n/a	(1,100,257)	7.8371	(140,391)
2019	2018-2019 Experience (Gains) / Losses	17	125,533	13.0435	9,624	16	124,002	12.4488	9,961

Table 4-4 (page 2 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025
Special Risk Class

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
2020	2020 Assumption Changes	17	869,779	13.0435	66,683	16	859,174	12.4488	69,017
2020	2019-2020 Experience (Gains) / Losses	17	242,785	13.0435	18,613	16	239,824	12.4488	19,265
2021	2021 Assumption Changes	17	1,084,182	13.0435	83,120	16	1,070,962	12.4488	86,029
2021	2020-2021 Experience (Gains) / Losses	17	(1,136,611)	13.0435	(87,140)	16	(1,122,752)	12.4488	(90,190)
2022	Plan Changes (HB 5007, HB 689, and SB 838)	18	104,682	13.6204	7,686	17	103,757	13.0435	7,955
2022	2022 Assumption Changes	18	568,847	13.6204	41,764	17	563,819	13.0435	43,226
2022	2021-2022 Experience (Gains) / Losses	18	399,738	13.6204	29,348	17	396,205	13.0435	30,376
2023	2023-2024 Plan Changes (SB 7024)	19	920,945	14.1801	64,947	18	915,561	13.6204	67,220
2023	2022-2023 Experience (Gains) / Losses	19	988,778	14.1801	69,730	18	982,998	13.6204	72,171
2024	2024 Assumption Changes	20	2,080,799	14.7229	141,331	19	2,074,224	14.1801	146,278
2024	2023-2024 Experience (Gains) / Losses	20	(419,015)	14.7229	(28,460)	19	(417,691)	14.1801	(29,456)
2025	2024-2025 Experience (Gains) / Losses		(131,917)			20	(140,756)	14.7229	(9,560)
UAL as of Valuation Date			\$12,418,649		\$911,331		\$12,309,333	Total:	\$943,096
Projected FY 2026-2027 UAL Payroll Excluding FRS Investment Plan Payroll:									\$6,432,314
FY 2026-2027 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:									14.66%

Totals are sums of numbers on both this page and the prior page.

Table 4-5 (page 1 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025
Special Risk Administrative Support Class

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
1999	1999 Assumption Changes	5	(\$174)	4.5587	(\$38)	4	(\$146)	3.7016	(\$39)
2000	SR 65% ILOD Disability	6	31	5.3901	6	5	27	4.5587	6
2004	2004 Assumption Change	10	8,564	8.4736	1,011	9	8,094	7.7376	1,046
2009	2009 Assumption Change	15	1,268	11.8357	107	14	1,242	11.2036	111
2009	2008-2009 Experience (Gains) / Losses	15	19,063	11.8357	1,611	14	18,676	11.2036	1,667
2009	Unrecognized (Gains)/Losses while in Surplus	15	(21,156)	11.8357	(1,787)	14	(20,727)	11.2036	(1,850)
2009	2009-2010 Plan Changes (HB 479)	15	0	11.8357	0	14	0	11.2036	0
2010	2009-2010 Experience (Gains) / Losses	16	1,167	12.4488	94	15	1,149	11.8357	97
2010	2010-2011 Plan Changes (SB 2100)	16	(532)	12.4488	(43)	15	(524)	11.8357	(44)
2011	2010-2011 Experience (Gains) / Losses	17	2,861	13.0435	219	16	2,826	12.4488	227
2012	2011-2012 Experience (Gains) / Losses	17	598	13.0435	46	16	591	12.4488	47
2013	2012-2013 Experience (Gains) / Losses	17	2,881	13.0435	221	16	2,846	12.4488	229
2014	2014 Assumption/Method Changes	17	(5,982)	13.0435	(459)	16	(5,909)	12.4488	(475)
2014	2013-2014 Experience (Gains) / Losses	17	6,778	13.0435	520	16	6,695	12.4488	538
2015	2014-2015 Experience (Gains) / Losses	17	(5,980)	13.0435	(458)	16	(5,907)	12.4488	(475)
2016	2016 Assumption Changes	17	503	13.0435	39	16	497	12.4488	40
2016	2015-2016 Experience (Gains) / Losses	17	2,004	13.0435	154	16	1,980	12.4488	159
2017	2017 Assumption Changes	17	977	13.0435	75	16	965	12.4488	77
2017	2016-2017 Experience (Gains) / Losses	17	2,459	13.0435	189	16	2,429	12.4488	195
2018	2018 Assumption Changes	17	995	13.0435	76	16	983	12.4488	79
2018	2017-2018 Experience (Gains) / Losses	17	682	13.0435	52	16	673	12.4488	54
2019	2019 Assumption Changes	17	(2,824)	13.0435	(216)	16	(2,789)	12.4488	(224)
2019	2019 Method Changes	n/a	(1,551)	8.0917	(192)	n/a	(1,457)	7.8371	(186)
2019	2018-2019 Experience (Gains) / Losses	17	2,100	13.0435	161	16	2,074	12.4488	167

Table 4-5 (page 2 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025
Special Risk Administrative Support Class

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
2020	2020 Assumption Changes	17	1,609	13.0435	123	16	1,590	12.4488	128
2020	2019-2020 Experience (Gains) / Losses	17	1,029	13.0435	79	16	1,017	12.4488	82
2021	2021 Assumption Changes	17	1,679	13.0435	129	16	1,658	12.4488	133
2021	2020-2021 Experience (Gains) / Losses	17	(3,996)	13.0435	(306)	16	(3,948)	12.4488	(317)
2022	2022 Assumption Changes	18	881	13.6204	65	17	874	13.0435	67
2022	2021-2022 Experience (Gains) / Losses	18	(702)	13.6204	(52)	17	(696)	13.0435	(53)
2023	2023-2024 Plan Changes (SB 7024)	19	922	14.1801	65	18	916	13.6204	67
2023	2022-2023 Experience (Gains) / Losses	19	(563)	14.1801	(40)	18	(560)	13.6204	(41)
2024	2024 Assumption Changes	20	3,212	14.7229	218	19	3,202	14.1801	226
2024	2023-2024 Experience (Gains) / Losses	20	930	14.7229	63	19	927	14.1801	65
2025	2024-2025 Experience (Gains) / Losses		<u>(82)</u>			20	<u>(88)</u>	14.7229	<u>(6)</u>
UAL as of Valuation Date			\$19,650		\$1,730		\$19,180	Total:	\$1,797
Projected FY 2026-2027 UAL Payroll Excluding FRS Investment Plan Payroll:									\$4,960
FY 2026-2027 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:									36.22%

Totals are sums of numbers on both this page and the prior page.

Table 4-6 (page 1 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025
Elected Officers' Class: Judicial Subclass

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
1999	1999 Assumption Changes	5	\$22	4.5587	\$5	4	\$19	3.7016	\$5
2004	2004 Assumption Change	10	22,630	8.4736	2,671	9	21,388	7.7376	2,764
2009	2009 Assumption Change	15	19,376	11.8357	1,637	14	18,983	11.2036	1,694
2009	2008-2009 Experience (Gains) / Losses	15	490,168	11.8357	41,415	14	480,230	11.2036	42,864
2009	Unrecognized (Gains)/Losses while in Surplus	15	(265,898)	11.8357	(22,466)	14	(260,507)	11.2036	(23,252)
2009	2009-2010 Plan Changes (HB 479)	15	(24,488)	11.8357	(2,069)	14	(23,992)	11.2036	(2,141)
2010	2009-2010 Experience (Gains) / Losses	16	(21,786)	12.4488	(1,750)	15	(21,438)	11.8357	(1,811)
2010	2010-2011 Plan Changes (SB 2100)	16	3,132	12.4488	252	15	3,082	11.8357	260
2011	2010-2011 Experience (Gains) / Losses	17	84,575	13.0435	6,484	16	83,544	12.4488	6,711
2012	2011-2012 Experience (Gains) / Losses	17	6,687	13.0435	513	16	6,606	12.4488	531
2013	2012-2013 Experience (Gains) / Losses	17	109,481	13.0435	8,394	16	108,146	12.4488	8,687
2014	2014 Assumption/Method Changes	17	25,154	13.0435	1,928	16	24,848	12.4488	1,996
2014	2013-2014 Experience (Gains) / Losses	17	(55,623)	13.0435	(4,264)	16	(54,945)	12.4488	(4,414)
2015	2014-2015 Experience (Gains) / Losses	17	5,585	13.0435	428	16	5,516	12.4488	443
2016	2016 Assumption Changes	17	7,458	13.0435	572	16	7,367	12.4488	592
2016	2015-2016 Experience (Gains) / Losses	17	36,495	13.0435	2,798	16	36,050	12.4488	2,896
2017	2017 Assumption Changes	17	14,455	13.0435	1,108	16	14,279	12.4488	1,147
2017	2016-2017 Experience (Gains) / Losses	17	(2,653)	13.0435	(203)	16	(2,621)	12.4488	(211)
2018	2018 Assumption Changes	17	15,238	13.0435	1,168	16	15,052	12.4488	1,209
2018	2017-2018 Experience (Gains) / Losses	17	37,226	13.0435	2,854	16	36,772	12.4488	2,954
2019	2019 Assumption Changes	17	(46,114)	13.0435	(3,535)	16	(45,552)	12.4488	(3,659)
2019	2019 Method Changes	n/a	(19,263)	8.0917	(2,381)	n/a	(18,095)	7.8371	(2,309)
2019	2018-2019 Experience (Gains) / Losses	17	32,108	13.0435	2,462	16	31,717	12.4488	2,548

Table 4-6 (page 2 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025
Elected Officers' Class: Judicial Subclass

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
2020	2020 Assumption Changes	17	26,201	13.0435	2,009	16	25,882	12.4488	2,079
2020	2019-2020 Experience (Gains) / Losses	17	(9,612)	13.0435	(737)	16	(9,495)	12.4488	(763)
2021	2021 Assumption Changes	17	30,618	13.0435	2,347	16	30,245	12.4488	2,430
2021	2020-2021 Experience (Gains) / Losses	17	204	13.0435	16	16	202	12.4488	16
2022	2022 Assumption Changes	18	15,707	13.6204	1,153	17	15,568	13.0435	1,194
2022	2021-2022 Experience (Gains) / Losses	18	(25,963)	13.6204	(1,906)	17	(25,734)	13.0435	(1,973)
2023	2023-2024 Plan Changes (SB 7024)	19	6,159	14.1801	434	18	6,123	13.6204	450
2023	2022-2023 Experience (Gains) / Losses	19	53,814	14.1801	3,795	18	53,500	13.6204	3,928
2024	2024 Assumption Changes	20	36,524	14.7229	2,481	19	36,409	14.1801	2,568
2024	2023-2024 Experience (Gains) / Losses	20	(1,068)	14.7229	(73)	19	(1,065)	14.1801	(75)
2025	2024-2025 Experience (Gains) / Losses		<u>(12,318)</u>			20	<u>(13,144)</u>	14.7229	<u>(893)</u>
UAL as of Valuation Date			\$594,233		\$47,538		\$584,942	Total:	\$48,465
Projected FY 2026-2027 UAL Payroll Excluding FRS Investment Plan Payroll:									\$136,224
FY 2026-2027 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:									35.58%

Totals are sums of numbers on both this page and the prior page.

Table 4-7 (page 1 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025

Elected Officers' Class: Legislature/Attorney/Cabinet Subclass

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
1999	1999 Assumption Changes	5	\$1	4.5587	\$0	4	\$1	3.7016	\$0
2004	2004 Assumption Change	10	1,704	8.4736	201	9	1,610	7.7376	208
2009	2009 Assumption Change	15	1,944	11.8357	164	14	1,905	11.2036	170
2009	2008-2009 Experience (Gains) / Losses	15	59,560	11.8357	5,032	14	58,353	11.2036	5,208
2009	Unrecognized (Gains)/Losses while in Surplus	15	(34,062)	11.8357	(2,878)	14	(33,372)	11.2036	(2,979)
2009	2009-2010 Plan Changes (HB 479)	15	(773)	11.8357	(65)	14	(758)	11.2036	(68)
2010	2009-2010 Experience (Gains) / Losses	16	2,836	12.4488	228	15	2,791	11.8357	236
2010	2010-2011 Plan Changes (SB 2100)	16	129	12.4488	10	15	127	11.8357	11
2011	2010-2011 Experience (Gains) / Losses	17	8,525	13.0435	654	16	8,421	12.4488	676
2012	2011-2012 Experience (Gains) / Losses	17	(4,033)	13.0435	(309)	16	(3,983)	12.4488	(320)
2013	2012-2013 Experience (Gains) / Losses	17	19,434	13.0435	1,490	16	19,197	12.4488	1,542
2014	2014 Assumption/Method Changes	17	(3,019)	13.0435	(231)	16	(2,982)	12.4488	(240)
2014	2013-2014 Experience (Gains) / Losses	17	(930)	13.0435	(71)	16	(919)	12.4488	(74)
2015	2014-2015 Experience (Gains) / Losses	17	(7,418)	13.0435	(569)	16	(7,328)	12.4488	(589)
2016	2016 Assumption Changes	17	628	13.0435	48	16	620	12.4488	50
2016	2015-2016 Experience (Gains) / Losses	17	10,579	13.0435	811	16	10,450	12.4488	839
2017	2017 Assumption Changes	17	1,272	13.0435	98	16	1,257	12.4488	101
2017	2016-2017 Experience (Gains) / Losses	17	4,077	13.0435	313	16	4,027	12.4488	324
2018	2018 Assumption Changes	17	1,315	13.0435	101	16	1,299	12.4488	104
2018	2017-2018 Experience (Gains) / Losses	17	2,756	13.0435	211	16	2,723	12.4488	219
2019	2019 Assumption Changes	17	(2,763)	13.0435	(212)	16	(2,729)	12.4488	(219)
2019	2019 Method Changes	n/a	(626)	8.0917	(77)	n/a	(588)	7.8371	(75)
2019	2018-2019 Experience (Gains) / Losses	17	1,024	13.0435	78	16	1,011	12.4488	81

Table 4-7 (page 2 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025

Elected Officers' Class: Legislature/Attorney/Cabinet Subclass
(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
2020	2020 Assumption Changes	17	2,434	13.0435	187	16	2,404	12.4488	193
2020	2019-2020 Experience (Gains) / Losses	17	4,004	13.0435	307	16	3,955	12.4488	318
2021	2021 Assumption Changes	17	2,559	13.0435	196	16	2,527	12.4488	203
2021	2020-2021 Experience (Gains) / Losses	17	(1,347)	13.0435	(103)	16	(1,331)	12.4488	(107)
2022	2022 Assumption Changes	18	1,366	13.6204	100	17	1,354	13.0435	104
2022	2021-2022 Experience (Gains) / Losses	18	1,709	13.6204	125	17	1,693	13.0435	130
2023	2023-2024 Plan Changes (SB 7024)	19	570	14.1801	40	18	567	13.6204	42
2023	2022-2023 Experience (Gains) / Losses	19	(3,370)	14.1801	(238)	18	(3,351)	13.6204	(246)
2024	2024 Assumption Changes	20	2,250	14.7229	153	19	2,243	14.1801	158
2024	2023-2024 Experience (Gains) / Losses	20	(608)	14.7229	(41)	19	(606)	14.1801	(43)
2025	2024-2025 Experience (Gains) / Losses		<u>3,095</u>			20	<u>3,302</u>	14.7229	<u>224</u>
UAL as of Valuation Date			\$74,822		\$5,753		\$73,893	Total:	\$6,183
Projected FY 2026-2027 UAL Payroll Excluding FRS Investment Plan Payroll:									\$7,663
FY 2026-2027 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:									80.69%

Totals are sums of numbers on both this page and the prior page.

Table 4-8 (page 1 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025
Elected Officers' Class: Local Subclass

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
1999	1999 Assumption Changes	5	\$3	4.5587	\$1	4	\$2	3.7016	\$1
2004	2004 Assumption Change	10	28,644	8.4736	3,380	9	27,072	7.7376	3,499
2009	2009 Assumption Change	15	11,306	11.8357	955	14	11,076	11.2036	989
2009	2008-2009 Experience (Gains) / Losses	15	232,063	11.8357	19,607	14	227,358	11.2036	20,293
2009	Unrecognized (Gains)/Losses while in Surplus	15	(57,458)	11.8357	(4,855)	14	(56,293)	11.2036	(5,025)
2009	2009-2010 Plan Changes (HB 479)	15	(7,014)	11.8357	(593)	14	(6,872)	11.2036	(613)
2010	2009-2010 Experience (Gains) / Losses	16	2,076	12.4488	167	15	2,043	11.8357	173
2010	2010-2011 Plan Changes (SB 2100)	16	296	12.4488	24	15	292	11.8357	25
2011	2010-2011 Experience (Gains) / Losses	17	14,086	13.0435	1,080	16	13,914	12.4488	1,118
2012	2011-2012 Experience (Gains) / Losses	17	(5,796)	13.0435	(444)	16	(5,725)	12.4488	(460)
2013	2012-2013 Experience (Gains) / Losses	17	112,229	13.0435	8,604	16	110,861	12.4488	8,905
2014	2014 Assumption/Method Changes	17	(23,997)	13.0435	(1,840)	16	(23,704)	12.4488	(1,904)
2014	2013-2014 Experience (Gains) / Losses	17	(10,662)	13.0435	(817)	16	(10,532)	12.4488	(846)
2015	2014-2015 Experience (Gains) / Losses	17	(10,665)	13.0435	(818)	16	(10,535)	12.4488	(846)
2016	2016 Assumption Changes	17	3,351	13.0435	257	16	3,310	12.4488	266
2016	2015-2016 Experience (Gains) / Losses	17	22,098	13.0435	1,694	16	21,829	12.4488	1,753
2017	2017 Assumption Changes	17	7,024	13.0435	539	16	6,939	12.4488	557
2017	2016-2017 Experience (Gains) / Losses	17	39,748	13.0435	3,047	16	39,264	12.4488	3,154
2018	2018 Assumption Changes	17	7,166	13.0435	549	16	7,078	12.4488	569
2018	2017-2018 Experience (Gains) / Losses	17	10,973	13.0435	841	16	10,839	12.4488	871
2019	2019 Assumption Changes	17	(8,806)	13.0435	(675)	16	(8,699)	12.4488	(699)
2019	2019 Method Changes	n/a	(4,553)	8.0917	(563)	n/a	(4,276)	7.8371	(546)
2019	2018-2019 Experience (Gains) / Losses	17	(2,090)	13.0435	(160)	16	(2,065)	12.4488	(166)

Table 4-8 (page 2 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025
Elected Officers' Class: Local Subclass

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
2020	2020 Assumption Changes	17	12,064	13.0435	925	16	11,917	12.4488	957
2020	2019-2020 Experience (Gains) / Losses	17	3,568	13.0435	274	16	3,525	12.4488	283
2021	2021 Assumption Changes	17	14,145	13.0435	1,084	16	13,972	12.4488	1,122
2021	2020-2021 Experience (Gains) / Losses	17	16,989	13.0435	1,303	16	16,782	12.4488	1,348
2022	2022 Assumption Changes	18	7,412	13.6204	544	17	7,347	13.0435	563
2022	2021-2022 Experience (Gains) / Losses	18	6,154	13.6204	452	17	6,099	13.0435	468
2023	2023-2024 Plan Changes (SB 7024)	19	2,004	14.1801	141	18	1,992	13.6204	146
2023	2022-2023 Experience (Gains) / Losses	19	(2,701)	14.1801	(191)	18	(2,686)	13.6204	(197)
2024	2024 Assumption Changes	20	7,606	14.7229	517	19	7,582	14.1801	535
2024	2023-2024 Experience (Gains) / Losses	20	(9,871)	14.7229	(670)	19	(9,840)	14.1801	(694)
2025	2024-2025 Experience (Gains) / Losses		<u>28,962</u>			20	<u>30,902</u>	14.7229	<u>2,099</u>
UAL as of Valuation Date			\$446,352		\$34,359		\$440,766	Total:	\$37,698
Projected FY 2026-2027 UAL Payroll Excluding FRS Investment Plan Payroll:									\$61,439
FY 2026-2027 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:									61.36%

Totals are sums of numbers on both this page and the prior page.

Table 4-9 (page 1 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025
Senior Management Service Class

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
1999	1999 Assumption Changes	5	(\$1,441)	4.5587	(\$316)	4	(\$1,211)	3.7016	(\$327)
2004	2004 Assumption Change	10	175,948	8.4736	20,764	9	166,288	7.7376	21,491
2009	2009 Assumption Change	15	62,331	11.8357	5,266	14	61,067	11.2036	5,451
2009	2008-2009 Experience (Gains) / Losses	15	1,213,982	11.8357	102,570	14	1,189,369	11.2036	106,160
2009	Unrecognized (Gains)/Losses while in Surplus	15	(275,549)	11.8357	(23,281)	14	(269,963)	11.2036	(24,096)
2009	2009-2010 Plan Changes (HB 479)	15	(51,617)	11.8357	(4,361)	14	(50,570)	11.2036	(4,514)
2010	2009-2010 Experience (Gains) / Losses	16	34,371	12.4488	2,761	15	33,822	11.8357	2,858
2010	2010-2011 Plan Changes (SB 2100)	16	(90,049)	12.4488	(7,234)	15	(88,611)	11.8357	(7,487)
2011	2010-2011 Experience (Gains) / Losses	17	132,285	13.0435	10,142	16	130,672	12.4488	10,497
2012	2011-2012 Experience (Gains) / Losses	17	68,481	13.0435	5,250	16	67,646	12.4488	5,434
2013	2012-2013 Experience (Gains) / Losses	17	387,379	13.0435	29,699	16	382,655	12.4488	30,738
2014	2014 Assumption/Method Changes	17	(153,048)	13.0435	(11,734)	16	(151,182)	12.4488	(12,144)
2014	2013-2014 Experience (Gains) / Losses	17	61,754	13.0435	4,734	16	61,001	12.4488	4,900
2015	2014-2015 Experience (Gains) / Losses	17	53,083	13.0435	4,070	16	52,436	12.4488	4,212
2016	2016 Assumption Changes	17	31,670	13.0435	2,428	16	31,283	12.4488	2,513
2016	2015-2016 Experience (Gains) / Losses	17	99,426	13.0435	7,623	16	98,214	12.4488	7,889
2017	2017 Assumption Changes	17	59,769	13.0435	4,582	16	59,040	12.4488	4,743
2017	2016-2017 Experience (Gains) / Losses	17	81,063	13.0435	6,215	16	80,074	12.4488	6,432
2018	2018 Assumption Changes	17	61,778	13.0435	4,736	16	61,025	12.4488	4,902
2018	2017-2018 Experience (Gains) / Losses	17	79,882	13.0435	6,124	16	78,908	12.4488	6,339
2019	2019 Assumption Changes	17	22,749	13.0435	1,744	16	22,471	12.4488	1,805
2019	2019 Method Changes	n/a	(58,036)	8.0917	(7,172)	n/a	(54,516)	7.8371	(6,956)
2019	2018-2019 Experience (Gains) / Losses	17	127,290	13.0435	9,759	16	125,738	12.4488	10,100

Table 4-9 (page 2 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025
Senior Management Service Class

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
2020	2020 Assumption Changes	17	110,101	13.0435	8,441	16	108,759	12.4488	8,736
2020	2019-2020 Experience (Gains) / Losses	17	137,224	13.0435	10,520	16	135,551	12.4488	10,889
2021	2021 Assumption Changes	17	131,683	13.0435	10,096	16	130,078	12.4488	10,449
2021	2020-2021 Experience (Gains) / Losses	17	(73,967)	13.0435	(5,671)	16	(73,065)	12.4488	(5,869)
2022	2022 Assumption Changes	18	70,461	13.6204	5,173	17	69,838	13.0435	5,354
2022	2021-2022 Experience (Gains) / Losses	18	73,367	13.6204	5,387	17	72,719	13.0435	5,575
2023	2023-2024 Plan Changes (SB 7024)	19	34,433	14.1801	2,428	18	34,231	13.6204	2,513
2023	2022-2023 Experience (Gains) / Losses	19	100,808	14.1801	7,109	18	100,219	13.6204	7,358
2024	2024 Assumption Changes	20	126,643	14.7229	8,602	19	126,243	14.1801	8,903
2024	2023-2024 Experience (Gains) / Losses	20	35,903	14.7229	2,439	19	35,789	14.1801	2,524
2025	2024-2025 Experience (Gains) / Losses		<u>(49,670)</u>			20	<u>(52,998)</u>	14.7229	<u>(3,600)</u>
UAL as of Valuation Date			\$2,820,487		\$228,894		\$2,773,022	Total:	\$233,772
Projected FY 2026-2027 UAL Payroll Excluding FRS Investment Plan Payroll:									\$700,505
FY 2026-2027 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:									33.37%

Totals are sums of numbers on both this page and the prior page.

Table 4-10 (page 1 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025
DROP

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
2004	2004 Assumption Change	10	(\$55,774)	8.4736	(\$6,582)	9	(\$52,712)	7.7376	(\$6,812)
2009	2009 Assumption Change	15	607,533	11.8357	51,331	14	595,215	11.2036	53,127
2009	2008-2009 Experience (Gains) / Losses	15	(21,545,017)	11.8357	(1,820,349)	14	(21,108,191)	11.2036	(1,884,061)
2009	Unrecognized (Gains)/Losses while in Surplus	15	22,871,329	11.8357	1,932,409	14	22,407,613	11.2036	2,000,044
2010	2009-2010 Experience (Gains) / Losses	16	255,573	12.4488	20,530	15	251,490	11.8357	21,249
2011	2010-2011 Experience (Gains) / Losses	17	930,396	13.0435	71,330	16	919,051	12.4488	73,827
2012	2011-2012 Experience (Gains) / Losses	17	(122,155)	13.0435	(9,365)	16	(120,665)	12.4488	(9,693)
2013	2012-2013 Experience (Gains) / Losses	17	5,173	13.0435	397	16	5,110	12.4488	410
2014	2014 Assumption/Method Changes	17	259,972	13.0435	19,931	16	256,802	12.4488	20,629
2014	2013-2014 Experience (Gains) / Losses	17	(654,977)	13.0435	(50,215)	16	(646,991)	12.4488	(51,972)
2015	2014-2015 Experience (Gains) / Losses	17	(204,898)	13.0435	(15,709)	16	(202,400)	12.4488	(16,259)
2016	2016 Assumption Changes	17	82,358	13.0435	6,314	16	81,354	12.4488	6,535
2016	2015-2016 Experience (Gains) / Losses	17	(431,218)	13.0435	(33,060)	16	(425,961)	12.4488	(34,217)
2017	2017 Assumption Changes	17	174,484	13.0435	13,377	16	172,356	12.4488	13,845
2017	2016-2017 Experience (Gains) / Losses	17	203,366	13.0435	15,591	16	200,886	12.4488	16,137
2018	2018 Assumption Changes	17	182,933	13.0435	14,025	16	180,703	12.4488	14,516
2018	2017-2018 Experience (Gains) / Losses	17	9,450	13.0435	725	16	9,335	12.4488	750
2019	2019 Assumption Changes	17	196,549	13.0435	15,069	16	194,152	12.4488	15,596
2019	2018-2019 Experience (Gains) / Losses	17	(122,223)	13.0435	(9,370)	16	(120,733)	12.4488	(9,698)

Table 4-10 (page 2 of 2)
Florida Retirement System Pension Plan
Unfunded Actuarial Liability (UAL) Bases
July 1, 2025
DROP

(\$ in Thousands; Please refer to pages 25 & 26 for notes specific to this table)

(a)	(b)	(c)	(d)	(e)	(f) = (d) / (e)	(g)	(h)	(i)	(j) = (h) / (i)
Date Established, June 30	Description	Remaining Payments as of Valuation Date	Balance as of Valuation Date	Amortization Factor	Amortization Payment for FY 2025-2026	Remaining Payments one year after Valuation Date	Balance One Year After Valuation Date	Amortization Factor	Amortization Payment for FY 2026-2027
2020	2020 Assumption Changes	17	381,786	13.0435	29,270	16	377,131	12.4488	30,295
2020	2019-2020 Experience (Gains) / Losses	17	128,804	13.0435	9,875	16	127,234	12.4488	10,221
2021	2021 Assumption Changes	17	391,547	13.0435	30,018	16	386,772	12.4488	31,069
2021	2020-2021 Experience (Gains) / Losses	17	(625,111)	13.0435	(47,925)	16	(617,489)	12.4488	(49,602)
2022	2022 Assumption Changes	18	196,666	13.6204	14,439	17	194,928	13.0435	14,944
2022	2021-2022 Experience (Gains) / Losses	18	(5,386)	13.6204	(395)	17	(5,338)	13.0435	(409)
2023	2023-2024 Plan Changes (SB 7024)	19	215,638	14.1801	15,207	18	214,377	13.6204	15,739
2023	2022-2023 Experience (Gains) / Losses	19	32,876	14.1801	2,318	18	32,684	13.6204	2,400
2024	2024 Assumption Changes	20	223,905	14.7229	15,208	19	223,197	14.1801	15,740
2024	2023-2024 Experience (Gains) / Losses	20	721,850	14.7229	49,029	19	719,569	14.1801	50,745
2025	2024-2025 Experience (Gains) / Losses		<u>117,184</u>			20	<u>125,035</u>	14.7229	<u>8,493</u>
UAL as of Valuation Date			\$4,422,610		\$333,423		\$4,374,513	Total:	\$353,586
Projected FY 2026-2027 UAL Payroll Excluding FRS Investment Plan Payroll:									\$3,465,098
FY 2026-2027 UAL Contribution Rate Prior to Blending with FRS Investment Plan Payroll:									10.20%

Totals are sums of numbers on both this page and the prior page.

Table 4-11
Florida Retirement System Pension Plan
Actuarially Calculated Employer Contribution Rates
Prior to Blending with FRS Investment Plan
July 1, 2025 Valuation for Fiscal Year Beginning July 1, 2026

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 ¹	Composite (including DROP)
1. Employer Normal Cost Rate	6.25%	20.07%	10.98%	15.41%	9.20%	10.07%	7.98%	9.43%	9.43%	9.43%
2. UAL Contribution Rate ²	6.57%	14.66%	36.22%	35.58%	80.69%	61.36%	33.37%	8.98%	10.20%	9.10%
3. Total Employer Contribution Rate [(1) + (2)]	12.82%	34.73%	47.20%	50.99%	89.89%	71.43%	41.35%	18.41%	19.63%	18.53%
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)]	12.82%	34.73%	47.20%	50.99%	89.89%	71.43%	41.35%	18.41%	19.63%	18.53%

¹ 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.

² Prior to blending with FRS Investment Plan Payroll.

Table 4-12
Florida Retirement System Pension Plan
Actuarially Calculated vs. Legislated Uniform Blended Contribution Rates ^{1 & 2 & 3}

Plan Year 2026-2027 rates will be set by the Legislature during the 2026 Legislative Session

Membership Class	Plan Year 2024-2025		Plan Year 2025-2026		Plan Year 2026-2027	
	Actuarially Calculated	Legislated	Actuarially Calculated	Legislated	Actuarially Calculated	Legislated
1. Regular	11.51%	11.57%	11.97%	11.97%	11.53%	TBD
2. Special Risk	30.39%	30.73%	33.13%	33.13%	32.53%	TBD
3. Special Risk Administrative	36.82%	37.76%	37.42%	37.42%	37.96%	TBD
4. Elected Officers' Class - Judicial	42.89%	43.39%	44.08%	44.08%	43.94%	TBD
5. Elected Officers' Class - Leg-Atty-Cab	60.49%	60.91%	60.60%	60.60%	61.73%	TBD
6. Elected Officers' Class - Local	55.66%	56.62%	52.51%	52.51%	52.94%	TBD
7. Senior Management Service	31.16%	32.46%	31.18%	31.18%	30.54%	TBD
8. Composite without DROP	15.26%	15.40%	16.13%	16.13%	15.75%	TBD
9. DROP	18.97%	19.13%	20.02%	20.02%	19.63%	TBD
10. Composite with DROP	15.46%	15.60%	16.39%	16.39%	16.02%	TBD

¹ For additional detail on actuarially calculated blended rates, please see the relevant annual Blended Rate studies. The plan year 2026-2027 Blended Rate study will be published shortly after this valuation.

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

³ The legislated plan year 2024-2025 rates shown in this table differ from those developed in the July 1, 2023 actuarial valuation due to House Bill 151, which established statutory uniform employer contribution rates for the 2024-2025 plan year.

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, 2025 was provided under separate cover in November 2025. 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 6.70% per annum.

Table 5-1 presents the ABO for the FRS Pension Plan determined as of July 1, 2025. All 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, 2024, to the ABO as of July 1, 2025. This reconciliation indicates the impact of the assumption changes and plan changes, if any.

Table 5-1
Florida Retirement System Pension Plan
Accumulated Benefit Obligation - ASC 960
July 1, 2025
(\$ in Thousands)

	Regular	Special Risk	Special Risk Administrative	-- Elected Officers' Class --			Senior Management	DROP	Total
			Judicial	Leg-Atty-Cab	Local				
A. Accumulated Benefit Obligation									
1. Active Members									
a. Accumulated Member Contributions	\$4,575,145	\$1,141,418	\$1,278	\$30,083	\$1,504	\$11,164	\$144,056	\$0	\$5,904,648
b. Employer-Financed Vested Benefits	22,761,727	10,700,431	12,992	286,152	15,206	120,429	1,140,186	0	35,037,123
c. Employer-Financed Non-Vested Benefits	3,243,452	1,721,981	1,432	20,557	949	8,170	156,995	0	5,153,536
d. Total	\$30,580,324	\$13,563,830	\$15,702	\$336,792	\$17,659	\$139,763	\$1,441,237	\$0	\$46,095,307
2. Annuitants	\$99,714,204	\$31,689,960	\$69,508	\$1,178,092	\$103,963	\$590,829	\$4,440,660	\$24,916,108	\$162,703,324
3. Other Inactive Members	\$5,658,579	\$765,190	\$1,084	\$18,287	\$13,216	\$25,445	\$250,149	\$0	\$6,731,950
4. Total Accumulated Benefit Obligation	\$135,953,107	\$46,018,980	\$86,294	\$1,533,171	\$134,838	\$756,037	\$6,132,046	\$24,916,108	\$215,530,581
B. Assets Available for Benefits									
1. Market	\$140,015,254	\$44,778,196	\$75,776	\$1,181,762	\$71,604	\$386,476	\$4,333,390	\$21,742,868	\$212,585,326
2. Actuarial Basis	\$131,969,816	\$42,205,189	\$71,422	\$1,113,857	\$67,490	\$364,269	\$4,084,388	\$20,493,498	\$200,369,929
C. Unfunded / (Surplus) Total Accumulated Benefit Obligation, Assets at:									
1. Market	(\$4,062,147)	\$1,240,784	\$10,518	\$351,409	\$63,234	\$369,561	\$1,798,656	\$3,173,240	\$2,945,255
2. Actuarial Basis	\$3,983,291	\$3,813,791	\$14,872	\$419,314	\$67,348	\$391,768	\$2,047,658	\$4,422,610	\$15,160,652
D. Percent of Accumulated Obligation Funded, Assets at:									
1. Market	102.99%	97.30%	87.81%	77.08%	53.10%	51.12%	70.67%	87.26%	98.63%
2. Actuarial Basis	97.07%	91.71%	82.77%	72.65%	50.05%	48.18%	66.61%	82.25%	92.97%

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

	July 1, 2023 Valuation Basis	July 1, 2024 Valuation Basis	July 1, 2025 Valuation Basis
A. Accumulated Benefit Obligation			
1. Active Members			
a. Accumulated Member Contributions	\$5,361,786	\$5,620,320	\$5,904,648
b. Employer-Financed Vested Benefits	32,946,580	34,712,015	35,037,123
c. Employer-Financed Non-Vested Benefits	4,146,924	5,044,584	5,153,536
d. Total	\$42,455,290	\$45,376,919	\$46,095,307
2. Annuitants	\$131,975,277	\$135,469,473	\$137,787,216
3. Other Inactive Members	\$6,419,201	\$6,632,666	\$6,731,950
4. DROP	\$18,457,145	\$22,248,263	\$24,916,108
5. Total Accumulated Benefit Obligation	\$199,306,913	\$209,727,321	\$215,530,581
B. Assets Available for Benefits			
1. Market	\$186,357,366	\$198,685,586	\$212,585,326
2. Actuarial Basis	\$184,235,157	\$191,571,244	\$200,369,929
C. Unfunded/(Surplus) Total Accumulated Benefit Obligation, Assets at:			
1. Market	\$12,949,547	\$11,041,735	\$2,945,255
2. Actuarial Basis	\$15,071,756	\$18,156,077	\$15,160,652
D. Percent of Accumulated Benefit Obligation Funded, Assets at:			
1. Market	93.50%	94.74%	98.63%
2. Actuarial Basis	92.44%	91.34%	92.97%
E. Annual Salaries ¹	\$29,028,024	\$30,233,389	\$30,944,720
F. Unfunded/(Surplus) Accumulated Benefit Obligation as a Percent of Salary, Assets at:			
1. Market	44.61%	36.52%	9.52%
2. Actuarial Basis	51.92%	60.05%	48.99%

¹ 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, 2024	\$209,727,321
Increase (Decrease) During Year Attributable to:	
Increase for Interest Due to Passage of Time	\$13,601,863
Benefits Paid - PY 2025	(\$13,650,182)
Benefits Accrued, & Other Gains/Losses	\$5,851,579
Plan Provision / Assumption Changes	\$0
Net Increase (Decrease)	\$5,803,260
Accumulated Benefit Obligation at July 1, 2025	\$215,530,581

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 2025 actuarial valuation of the FRS Pension Plan is included on the following pages. These assumptions, methods, and procedures were approved by the 2025 FRS Actuarial Assumption Conference and are based on the 2024 Experience Study.

Data

Except where noted, the analysis in this valuation was based on data as of June 30, 2025, 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 variations 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 calculating system funding amounts.

Individual EAN sets the 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 both Ultimate EAN and 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 than 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	3.50%
Investment Return	6.70%

Demographic Assumptions

Mortality

Healthy Inactive Mortality (Post-Employment)

Member Category (Non-Disabled Inactive)	PUB-2010 base table listed below, generational mortality using gender-specific MP-2021 mortality improvement projection scale
Female K-12 School Instructional Personnel	Benefits Weighted Teachers Healthy Retiree Female Table, set forward 1 year
Male K-12 School Instructional Personnel	Benefits Weighted Teachers Healthy Retiree Male Table, set forward 1 year
Female Special Risk	Benefits Weighted Safety Healthy Retiree Female Table
Male Special Risk	Benefits Weighted Safety Healthy Retiree Male Table, set forward 1 year
Female members other than Special Risk or K-12 School Instructional Personnel and all female beneficiaries	Headcount Weighted General Healthy Retiree Female Table
Male members other than Special Risk or K-12 School Instructional Personnel and all male beneficiaries	Headcount Weighted General Healthy Retiree Male Table, set back 1 year

Healthy Active Mortality (During Employment)

- For Special Risk members, 30% 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.

Member Category (Non-Disabled Active)	PUB-2010 base table listed below, generational mortality using gender-specific MP-2021 mortality improvement projection scale
Female K-12 School Instructional Personnel	Benefits Weighted Teachers Employee Female Table, set forward 1 year
Male K-12 School Instructional Personnel	Benefits Weighted Teachers Employee Male Table, set forward 1 year
Female Special Risk	Benefits Weighted Safety Employee Female Table
Male Special Risk	Benefits Weighted Safety Employee Male Table, set forward 1 year
Female (other than Special Risk or K-12 School Instructional Personnel)	Headcount Weighted General Employee Female Table
Male (other than Special Risk or K-12 School Instructional Personnel)	Headcount Weighted General Employee Male Table, set back 1 year

Disabled Mortality

Member Category (Disabled Inactive)	PUB-2010 base table listed below, generational mortality using gender-specific MP-2021 mortality improvement projection scale
Female Disabled Special Risk	Headcount Weighted General Disabled Retiree Female Table, set forward 1 year
Male Disabled Special Risk	Headcount Weighted General Disabled Retiree Male Table
Female Disabled (other than Special Risk)	Headcount Weighted General Disabled Retiree Female Table, set forward 4 years
Male Disabled (other than Special Risk)	Headcount Weighted General Disabled Retiree Male Table, set forward 4 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 receipt at the normal retirement benefit age.

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.

Service Retirement and DROP

Eligible members are assumed to either elect unreduced immediate retirement or enter DROP as shown in the following assumption tables. The rates in the tables represent the probability of retiring or entering DROP at the specified ages. All members who enter DROP in the future are assumed upon entry to remain in DROP for 48 months.

All members who have attained age 80 (age 70 for Special Risk Class or TRS) in active service are assumed to retire immediately.

Retirement Assumptions (Tier I)
DROP Entry

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	Unisex	Unisex
45	5.0%	5.0%	5.0%	5.0%	15.0%	18.0%	5.0%	5.0%
46	5.0%	5.0%	5.0%	5.0%	15.0%	18.0%	5.0%	5.0%
47	5.0%	5.0%	5.0%	5.0%	15.0%	18.0%	5.0%	5.0%
48	10.0%	10.0%	12.0%	5.0%	15.0%	18.0%	15.0%	17.0%
49	10.0%	10.0%	12.0%	10.0%	15.0%	18.0%	15.0%	17.0%
50	10.0%	10.0%	12.0%	10.0%	15.0%	18.0%	15.0%	17.0%
51	10.0%	10.0%	12.0%	10.0%	15.0%	18.0%	15.0%	17.0%
52	15.0%	10.0%	14.0%	10.0%	15.0%	18.0%	15.0%	17.0%
53	15.0%	10.0%	14.0%	10.0%	15.0%	18.0%	15.0%	17.0%
54	15.0%	16.0%	14.0%	10.0%	15.0%	18.0%	15.0%	17.0%
55	15.0%	16.0%	16.0%	14.0%	15.0%	18.0%	15.0%	17.0%
56	18.0%	18.0%	18.0%	18.0%	10.0%	10.0%	15.0%	22.0%
57	22.0%	20.0%	18.0%	18.0%	5.0%	5.0%	18.0%	22.0%
58	22.0%	20.0%	18.0%	18.0%	5.0%	5.0%	18.0%	22.0%
59	22.0%	20.0%	18.0%	18.0%	5.0%	5.0%	18.0%	22.0%
60	30.0%	26.0%	25.0%	22.0%	5.0%	5.0%	22.0%	27.0%
61	30.0%	26.0%	25.0%	22.0%	5.0%	5.0%	22.0%	27.0%
62	36.0%	32.0%	30.0%	26.0%	5.0%	5.0%	26.0%	30.0%
63	14.0%	12.0%	14.0%	12.0%	5.0%	5.0%	15.0%	17.0%
64	10.0%	8.0%	10.0%	8.0%	5.0%	5.0%	4.0%	4.0%
65	7.5%	8.0%	7.5%	8.0%	5.0%	5.0%	4.0%	4.0%
66	7.5%	8.0%	7.5%	8.0%	5.0%	5.0%	4.0%	4.0%
67	6.0%	4.0%	6.0%	4.0%	5.0%	5.0%	4.0%	4.0%
68	6.0%	4.0%	6.0%	4.0%	5.0%	5.0%	4.0%	4.0%
69	4.0%	4.0%	4.0%	4.0%	5.0%	5.0%	4.0%	4.0%
70-79	4.0%	4.0%	4.0%	4.0%	0.0%	0.0%	4.0%	4.0%
80	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Retirement Assumptions (Tier I) (continued)

Immediate Retirement

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	Unisex	Unisex
45	0.0%	0.0%	0.0%	0.0%	4.0%	4.0%	0.0%	0.0%
46	0.0%	0.0%	0.0%	0.0%	4.0%	4.0%	0.0%	0.0%
47	0.0%	0.0%	0.0%	0.0%	4.0%	4.0%	0.0%	0.0%
48	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
49	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
50	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
51	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
52	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
53	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
54	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
55	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
56	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
57	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
58	4.5%	3.5%	5.5%	5.5%	4.0%	7.0%	3.5%	7.0%
59	4.5%	3.5%	5.5%	5.5%	6.0%	7.0%	3.5%	7.0%
60	4.5%	3.5%	5.5%	5.5%	6.0%	7.0%	3.5%	7.0%
61	8.5%	9.5%	5.5%	5.5%	6.0%	9.0%	3.5%	7.0%
62	11.5%	9.5%	5.5%	5.5%	15.0%	16.0%	3.5%	7.0%
63	8.5%	6.0%	5.5%	5.5%	9.0%	16.0%	3.5%	9.5%
64	10.5%	10.5%	5.5%	5.5%	18.0%	18.0%	3.5%	9.5%
65	20.0%	16.0%	12.5%	10.5%	20.0%	20.0%	3.5%	9.5%
66	20.0%	16.0%	12.5%	10.5%	20.0%	20.0%	3.5%	9.5%
67	20.0%	16.0%	12.5%	10.5%	20.0%	20.0%	10.5%	9.5%
68	20.0%	16.0%	12.5%	10.5%	20.0%	20.0%	10.5%	9.5%
69	20.0%	16.0%	12.5%	10.5%	20.0%	20.0%	10.5%	9.5%
70-79	20.0%	16.0%	12.5%	10.5%	100.0%	100.0%	10.5%	9.5%
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		Elected Officers' Subclasses	Senior Management Service Class
	Female	Male	Female	Male	Female	Male	Unisex	Unisex
45	5.0%	5.0%	5.0%	5.0%	15.0%	18.0%	5.0%	5.0%
46	5.0%	5.0%	5.0%	5.0%	15.0%	18.0%	5.0%	5.0%
47	5.0%	5.0%	5.0%	5.0%	15.0%	18.0%	5.0%	5.0%
48	10.0%	10.0%	12.0%	5.0%	15.0%	18.0%	15.0%	17.0%
49	10.0%	10.0%	12.0%	10.0%	15.0%	18.0%	15.0%	17.0%
50	10.0%	10.0%	12.0%	10.0%	15.0%	18.0%	15.0%	17.0%
51	10.0%	10.0%	12.0%	10.0%	15.0%	18.0%	15.0%	17.0%
52	15.0%	10.0%	14.0%	10.0%	15.0%	18.0%	15.0%	17.0%
53	15.0%	10.0%	14.0%	10.0%	15.0%	18.0%	15.0%	17.0%
54	15.0%	16.0%	14.0%	10.0%	15.0%	18.0%	15.0%	17.0%
55	15.0%	16.0%	16.0%	14.0%	15.0%	18.0%	15.0%	17.0%
56	18.0%	18.0%	18.0%	18.0%	10.0%	10.0%	15.0%	22.0%
57	22.0%	20.0%	18.0%	18.0%	5.0%	5.0%	18.0%	22.0%
58	22.0%	20.0%	18.0%	18.0%	5.0%	5.0%	18.0%	22.0%
59	22.0%	20.0%	18.0%	18.0%	5.0%	5.0%	18.0%	22.0%
60	30.0%	26.0%	25.0%	22.0%	5.0%	5.0%	22.0%	27.0%
61	30.0%	26.0%	25.0%	22.0%	5.0%	5.0%	22.0%	27.0%
62	30.0%	26.0%	25.0%	22.0%	5.0%	5.0%	22.0%	27.0%
63	30.0%	26.0%	25.0%	22.0%	5.0%	5.0%	22.0%	27.0%
64	30.0%	26.0%	25.0%	22.0%	5.0%	5.0%	22.0%	27.0%
65	30.0%	26.0%	25.0%	22.0%	5.0%	5.0%	22.0%	27.0%
66	7.5%	8.0%	7.5%	8.0%	5.0%	5.0%	4.0%	4.0%
67	6.0%	4.0%	6.0%	4.0%	5.0%	5.0%	4.0%	4.0%
68	6.0%	4.0%	6.0%	4.0%	5.0%	5.0%	4.0%	4.0%
69	4.0%	4.0%	4.0%	4.0%	5.0%	5.0%	4.0%	4.0%
70-79	4.0%	4.0%	4.0%	4.0%	0.0%	0.0%	4.0%	4.0%
80	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Retirement Assumptions (Tier II) (continued)

Immediate Retirement

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	Unisex	Unisex
45	0.0%	0.0%	0.0%	0.0%	4.0%	4.0%	0.0%	0.0%
46	0.0%	0.0%	0.0%	0.0%	4.0%	4.0%	0.0%	0.0%
47	0.0%	0.0%	0.0%	0.0%	4.0%	4.0%	0.0%	0.0%
48	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
49	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
50	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
51	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
52	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
53	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
54	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
55	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
56	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
57	4.5%	3.5%	3.5%	3.5%	4.0%	4.0%	3.5%	4.5%
58	4.5%	3.5%	5.5%	5.5%	4.0%	7.0%	3.5%	7.0%
59	4.5%	3.5%	5.5%	5.5%	6.0%	7.0%	3.5%	7.0%
60	4.5%	3.5%	5.5%	5.5%	6.0%	7.0%	3.5%	7.0%
61	8.5%	9.5%	5.5%	5.5%	6.0%	9.0%	3.5%	7.0%
62	8.5%	9.5%	5.5%	5.5%	15.0%	16.0%	3.5%	7.0%
63	8.5%	9.5%	5.5%	5.5%	9.0%	16.0%	3.5%	7.0%
64	8.5%	9.5%	5.5%	5.5%	18.0%	18.0%	3.5%	7.0%
65	8.5%	9.5%	5.5%	5.5%	20.0%	20.0%	3.5%	7.0%
66	20.0%	16.0%	12.5%	10.5%	20.0%	20.0%	3.5%	9.5%
67	20.0%	16.0%	12.5%	10.5%	20.0%	20.0%	10.5%	9.5%
68	20.0%	16.0%	12.5%	10.5%	20.0%	20.0%	10.5%	9.5%
69	20.0%	16.0%	12.5%	10.5%	20.0%	20.0%	10.5%	9.5%
70-79	20.0%	16.0%	12.5%	10.5%	100.0%	100.0%	10.5%	9.5%
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
<20	0.000%	0.000%
20	0.025%	0.000%
21-46	0.025%	0.001%
47-50	0.250%	0.002%
51	0.450%	0.002%
52-63	0.450%	0.006%
64+	0.450%	0.001%

Non-Duty Disability Annual Rates

Age	Special Risk Class	All Other Classes
<20	0.000%	0.000%
20-29	0.010%	0.000%
30-38	0.030%	0.010%
39-40	0.030%	0.020%
41-43	0.040%	0.030%
44-46	0.040%	0.040%
47-48	0.040%	0.060%
49	0.040%	0.080%
50	0.070%	0.080%
51-52	0.070%	0.110%
53-55	0.070%	0.130%
56-57	0.070%	0.170%
58-60	0.070%	0.190%
61	0.070%	0.090%
62	0.070%	0.060%
63+	0.070%	0.030%

Withdrawal – Other Terminations of Employment Annual Rates

Combined Years of Service	Regular Not K-12 School Instructional - Male					
	Attained Age					
	Under 25	25 to 29	30 to 34	35 to 44	45 to 54	55+
0	27.5%	23.0%	19.0%	16.5%	14.5%	17.0%
1	23.5%	19.0%	16.0%	13.5%	12.0%	13.0%
2	19.5%	15.0%	13.0%	10.5%	9.5%	9.0%
3	17.5%	12.5%	10.0%	9.0%	7.0%	7.5%
4	16.5%	11.0%	9.5%	8.0%	6.0%	6.0%
5	12.5%	10.0%	8.5%	7.0%	5.5%	5.0%
6	9.0%	9.0%	7.5%	6.0%	5.0%	4.5%
7	7.5%	7.5%	6.0%	5.5%	4.0%	4.0%
8	7.0%	7.0%	6.0%	5.5%	5.0%	5.0%
9	5.0%	5.0%	6.0%	4.5%	4.5%	4.5%
10	5.0%	5.0%	5.0%	4.5%	4.5%	4.5%
11	4.5%	4.5%	4.5%	4.5%	4.5%	4.0%
12	3.5%	3.5%	3.5%	4.0%	4.0%	4.0%
13	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
14	2.5%	2.5%	2.5%	3.0%	3.5%	3.5%
15	2.5%	2.5%	2.5%	3.0%	3.0%	3.0%
16	2.5%	2.5%	2.5%	3.0%	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%	2.5%	2.5%
19	2.0%	2.0%	2.0%	2.0%	2.5%	2.5%
20	1.5%	1.5%	1.5%	1.5%	2.0%	2.5%
21	1.5%	1.5%	1.5%	1.5%	2.0%	2.5%
22	1.5%	1.5%	1.5%	1.5%	2.0%	2.5%
23	1.0%	1.0%	1.0%	1.0%	1.5%	2.0%
24	1.0%	1.0%	1.0%	1.0%	1.5%	2.0%
25	1.0%	1.0%	1.0%	1.0%	1.5%	2.0%
26	1.0%	1.0%	1.0%	1.0%	1.5%	2.0%
27	1.0%	1.0%	1.0%	1.0%	1.0%	2.0%
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%	0.5%

Withdrawal (continued)

Combined Years of Service	Regular Not K-12 School Instructional - Female					
	Attained Age					
	Under 25	25 to 29	30 to 34	35 to 44	45 to 54	55+
0	32.5%	25.0%	22.0%	20.0%	15.5%	18.5%
1	27.0%	21.0%	18.0%	16.0%	13.0%	14.5%
2	21.5%	17.0%	14.0%	12.0%	10.5%	10.5%
3	21.5%	14.0%	12.5%	10.0%	9.0%	9.0%
4	19.5%	12.5%	11.0%	9.0%	8.0%	7.5%
5	15.0%	10.5%	9.5%	8.0%	7.0%	6.5%
6	9.5%	9.5%	8.0%	7.0%	6.0%	6.0%
7	8.0%	8.0%	7.5%	6.0%	5.5%	5.0%
8	7.5%	7.5%	7.0%	5.5%	5.0%	6.5%
9	5.5%	5.5%	6.0%	5.5%	5.0%	5.0%
10	5.5%	5.5%	5.5%	5.5%	5.0%	5.0%
11	5.0%	5.0%	5.0%	5.5%	5.0%	5.0%
12	5.0%	5.0%	5.0%	5.0%	4.5%	4.5%
13	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
14	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
15	3.5%	3.5%	3.5%	3.5%	4.0%	4.0%
16	3.5%	3.5%	3.5%	3.5%	3.5%	4.0%
17	3.0%	3.0%	3.0%	3.0%	3.0%	4.0%
18	2.5%	2.5%	2.5%	2.5%	3.0%	3.5%
19	2.5%	2.5%	2.5%	2.5%	3.0%	3.5%
20	2.0%	2.0%	2.0%	2.0%	2.5%	3.5%
21	1.5%	1.5%	1.5%	1.5%	2.0%	3.0%
22	1.5%	1.5%	1.5%	1.5%	2.0%	3.0%
23	1.5%	1.5%	1.5%	1.5%	2.0%	2.5%
24	1.5%	1.5%	1.5%	1.5%	2.0%	2.5%
25	1.5%	1.5%	1.5%	1.5%	1.5%	2.5%
26	1.5%	1.5%	1.5%	1.5%	1.5%	2.0%
27	1.0%	1.0%	1.0%	1.0%	1.0%	2.0%
28	1.0%	1.0%	1.0%	1.0%	1.0%	2.0%
29	0.5%	0.5%	0.5%	0.5%	0.5%	1.0%
30+	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%

Withdrawal (continued)

Combined Years of Service	Regular K-12 School Instructional - Male					
	Attained Age					
	Under 25	25 to 29	30 to 34	35 to 44	45 to 54	55+
0	23.5%	26.5%	21.0%	19.0%	19.0%	22.0%
1	18.5%	19.5%	17.5%	15.5%	14.0%	16.5%
2	13.5%	12.5%	14.0%	12.0%	9.0%	11.0%
3	12.0%	12.0%	10.5%	9.0%	8.5%	9.5%
4	9.5%	9.5%	8.5%	8.0%	6.5%	7.5%
5	8.5%	8.5%	8.5%	7.5%	5.5%	6.0%
6	7.5%	7.5%	7.0%	6.0%	5.5%	5.0%
7	6.5%	6.5%	6.0%	5.0%	4.5%	4.0%
8	5.0%	5.0%	5.0%	5.5%	4.5%	5.0%
9	5.0%	5.0%	5.0%	5.0%	4.0%	5.0%
10	4.0%	4.0%	4.0%	5.0%	4.0%	5.0%
11	3.0%	3.0%	3.0%	4.0%	4.0%	5.0%
12	3.0%	3.0%	3.0%	3.5%	3.5%	3.0%
13	3.0%	3.0%	3.0%	3.5%	3.5%	3.0%
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	2.5%	2.5%	2.5%	2.5%	2.5%	3.0%
17	2.0%	2.0%	2.0%	2.0%	2.5%	3.0%
18	2.0%	2.0%	2.0%	2.0%	2.5%	2.5%
19	2.0%	2.0%	2.0%	2.0%	2.0%	2.5%
20	2.0%	2.0%	2.0%	2.0%	2.0%	2.5%
21	2.0%	2.0%	2.0%	2.0%	1.5%	2.5%
22	1.5%	1.5%	1.5%	1.5%	1.5%	2.5%
23	1.0%	1.0%	1.0%	1.0%	1.0%	2.5%
24	1.0%	1.0%	1.0%	1.0%	1.0%	2.5%
25	1.0%	1.0%	1.0%	1.0%	1.0%	2.5%
26	1.0%	1.0%	1.0%	1.0%	1.0%	2.5%
27	1.0%	1.0%	1.0%	1.0%	1.0%	2.5%
28	1.0%	1.0%	1.0%	1.0%	1.0%	1.5%
29	0.5%	0.5%	0.5%	0.5%	0.5%	1.5%
30+	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%

Withdrawal (continued)

Combined Years of Service	Regular K-12 School Instructional - Female					
	Attained Age					
	Under 25	25 to 29	30 to 34	35 to 44	45 to 54	55+
0	18.0%	21.5%	20.5%	18.0%	16.0%	19.5%
1	16.0%	17.5%	16.5%	14.5%	13.0%	15.5%
2	14.0%	13.5%	12.5%	11.0%	10.0%	11.5%
3	13.5%	12.0%	11.5%	9.0%	9.0%	8.0%
4	13.0%	9.5%	10.0%	8.0%	7.0%	7.5%
5	10.5%	8.0%	8.5%	7.5%	6.5%	7.5%
6	8.0%	8.0%	8.0%	6.5%	6.0%	6.0%
7	6.0%	6.0%	7.5%	6.0%	5.0%	5.0%
8	6.0%	6.0%	6.5%	5.5%	5.0%	6.0%
9	6.0%	6.0%	5.5%	5.0%	5.0%	6.0%
10	5.0%	5.0%	5.0%	5.0%	5.0%	6.0%
11	4.5%	4.5%	4.5%	4.5%	4.5%	5.0%
12	3.5%	3.5%	3.5%	4.5%	4.5%	5.0%
13	3.5%	3.5%	3.5%	4.0%	4.0%	5.0%
14	3.5%	3.5%	3.5%	3.5%	3.5%	4.5%
15	3.5%	3.5%	3.5%	3.5%	3.5%	4.0%
16	3.0%	3.0%	3.0%	2.5%	3.0%	3.5%
17	3.0%	3.0%	3.0%	2.5%	3.0%	3.5%
18	2.5%	2.5%	2.5%	2.0%	2.5%	3.0%
19	2.0%	2.0%	2.0%	2.0%	2.5%	3.0%
20	2.0%	2.0%	2.0%	2.0%	2.5%	3.0%
21	1.5%	1.5%	1.5%	1.5%	2.0%	3.0%
22	1.5%	1.5%	1.5%	1.5%	2.0%	3.0%
23	1.5%	1.5%	1.5%	1.5%	1.5%	3.0%
24	1.0%	1.0%	1.0%	1.0%	1.5%	3.0%
25	1.0%	1.0%	1.0%	1.0%	1.0%	2.5%
26	1.0%	1.0%	1.0%	1.0%	1.0%	2.5%
27	1.0%	1.0%	1.0%	1.0%	1.0%	2.5%
28	0.5%	0.5%	0.5%	0.5%	0.5%	2.0%
29	0.5%	0.5%	0.5%	0.5%	0.5%	1.0%
30+	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%

Withdrawal (continued)

Combined Years of Service	Elected Officers' Class		
	Local	Leg-Atty-Cab	Judicial
0	10.0%	6.0%	1.5%
1	7.0%	6.0%	1.5%
2	4.0%	6.0%	1.5%
3	4.0%	6.0%	1.5%
4	12.0%	6.0%	1.5%
5	4.0%	6.0%	1.5%
6	4.0%	12.0%	1.5%
7	4.0%	12.0%	1.5%
8	17.0%	12.0%	1.5%
9	4.0%	12.0%	1.5%
10	4.0%	12.0%	1.5%
11	4.0%	6.0%	1.5%
12	7.0%	6.0%	1.5%
13	7.0%	6.0%	1.0%
14	7.0%	6.0%	1.0%
15	7.0%	6.0%	1.0%
16	7.0%	6.0%	1.0%
17	7.0%	6.0%	1.0%
18	7.0%	6.0%	1.0%
19	4.0%	6.0%	1.0%
20	4.0%	6.0%	1.0%
21	4.0%	6.0%	1.0%
22	4.0%	6.0%	1.0%
23	4.0%	6.0%	1.0%
24	4.0%	6.0%	1.0%
25	4.0%	6.0%	1.0%
26	4.0%	6.0%	1.0%
27	4.0%	6.0%	1.0%
28	4.0%	6.0%	1.0%
29	4.0%	6.0%	1.0%
30+	4.0%	6.0%	1.0%

Withdrawal (continued)

Combined Years of Service	Senior Management - Male		Senior Management - Female	
	Attained Age		Attained Age	
	Under 55	55+	Under 55	55+
0	13.0%	9.0%	12.0%	12.5%
1	13.0%	9.0%	12.0%	12.5%
2	16.5%	11.5%	12.0%	7.5%
3	18.5%	9.0%	12.0%	7.0%
4	14.0%	5.0%	14.0%	6.5%
5	11.5%	4.0%	10.0%	5.0%
6	8.0%	4.0%	8.0%	5.0%
7	6.5%	4.0%	6.5%	5.0%
8	7.0%	6.0%	6.0%	9.5%
9	5.5%	5.5%	6.0%	6.0%
10	5.5%	5.5%	6.0%	6.0%
11	5.5%	4.0%	6.0%	6.0%
12	4.5%	4.0%	6.0%	6.0%
13	4.0%	4.0%	6.0%	3.0%
14	3.5%	4.0%	4.0%	3.0%
15	3.5%	4.0%	3.0%	3.0%
16	3.5%	3.0%	3.0%	3.0%
17	3.0%	3.0%	2.5%	3.0%
18	3.0%	3.0%	2.5%	3.0%
19	3.0%	3.0%	2.5%	3.0%
20	2.0%	3.0%	2.5%	3.0%
21	2.0%	3.0%	2.5%	3.0%
22	2.0%	3.0%	2.5%	3.0%
23	2.0%	3.0%	1.5%	3.0%
24	2.0%	3.0%	1.5%	3.0%
25	2.0%	3.0%	1.5%	3.0%
26	1.0%	2.0%	1.5%	3.0%
27	1.0%	1.5%	1.5%	3.0%
28	1.0%	1.0%	1.5%	3.0%
29	1.0%	1.0%	1.0%	1.0%
30+	1.0%	1.0%	1.0%	1.0%

Withdrawal (continued)

Combined Years of Service	Special Risk and Special Risk Administrative- Male					
	Attained Age					
	Under 25	25 to 29	30 to 34	35 to 44	45 to 54	55+
0	14.0%	12.0%	13.0%	13.0%	15.0%	17.5%
1	11.5%	10.5%	11.0%	11.0%	10.5%	12.5%
2	9.0%	9.0%	9.0%	9.0%	6.0%	7.5%
3	7.5%	7.0%	7.0%	7.0%	5.0%	7.0%
4	5.0%	6.0%	6.0%	5.5%	5.0%	5.0%
5	4.0%	5.0%	5.0%	4.5%	4.0%	4.0%
6	4.0%	5.0%	4.5%	4.0%	3.5%	4.0%
7	4.0%	4.0%	3.5%	3.0%	3.5%	3.0%
8	5.0%	5.0%	4.0%	4.0%	4.0%	4.5%
9	5.0%	5.0%	3.5%	3.5%	4.0%	4.5%
10	3.0%	3.0%	3.0%	3.5%	3.5%	4.0%
11	3.0%	3.0%	3.0%	3.0%	3.5%	3.0%
12	2.5%	2.5%	2.5%	2.5%	3.0%	3.0%
13	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
14	1.5%	1.5%	1.5%	1.5%	2.5%	2.5%
15	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%
16	1.0%	1.0%	1.0%	1.0%	2.0%	2.0%
17	1.0%	1.0%	1.0%	1.0%	2.0%	2.0%
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%	1.5%	1.5%
23	0.8%	0.8%	0.8%	0.8%	1.5%	1.5%
24	0.8%	0.8%	0.8%	0.8%	1.0%	1.0%
25	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
26	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
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	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
30+	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%

Withdrawal (continued)

Combined Years of Service	Special Risk and Special Risk Administrative- Female					
	Attained Age					
	Under 25	25 to 29	30 to 34	35 to 44	45 to 54	55+
0	22.0%	22.0%	22.5%	18.5%	19.5%	17.0%
1	18.0%	17.5%	17.0%	14.5%	15.5%	14.0%
2	14.0%	13.0%	11.5%	10.5%	11.5%	11.0%
3	10.0%	10.0%	9.5%	10.0%	9.5%	7.5%
4	9.0%	8.5%	7.5%	6.5%	7.5%	7.5%
5	6.5%	6.5%	6.5%	6.0%	5.5%	7.5%
6	5.0%	5.0%	6.0%	5.5%	4.5%	6.0%
7	5.0%	5.0%	5.0%	4.5%	4.5%	6.0%
8	5.5%	5.5%	5.5%	5.0%	7.0%	6.0%
9	3.5%	3.5%	5.0%	5.0%	6.5%	6.0%
10	3.0%	3.0%	4.0%	5.0%	6.5%	6.0%
11	3.0%	3.0%	4.0%	4.0%	5.5%	5.5%
12	3.0%	3.0%	4.0%	4.0%	4.5%	4.5%
13	3.0%	3.0%	3.0%	3.0%	4.5%	4.5%
14	2.5%	2.5%	2.5%	3.0%	4.5%	4.5%
15	2.5%	2.5%	2.5%	2.5%	3.5%	3.5%
16	2.5%	2.5%	2.5%	2.5%	3.5%	3.5%
17	2.5%	2.5%	2.5%	2.5%	3.0%	3.0%
18	1.5%	1.5%	1.5%	1.5%	2.5%	2.5%
19	1.5%	1.5%	1.5%	1.5%	2.5%	2.5%
20	1.5%	1.5%	1.5%	1.5%	2.5%	2.5%
21	1.5%	1.5%	1.5%	1.5%	2.5%	2.5%
22	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%
23	1.5%	1.5%	1.5%	1.5%	2.0%	2.0%
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	6.35%	8.50%	3.40%	3.25%	3.25%	4.00%	9.30%
1	6.20%	8.00%	3.40%	3.25%	3.25%	4.00%	8.70%
2	6.05%	7.50%	3.40%	3.25%	3.25%	4.00%	8.10%
3	5.90%	7.00%	3.40%	3.25%	3.25%	4.00%	7.50%
4	5.75%	6.50%	3.40%	3.25%	3.25%	4.00%	6.90%
5	5.60%	6.50%	3.40%	3.25%	3.25%	4.00%	6.30%
6	5.45%	6.50%	3.40%	3.25%	3.25%	4.00%	5.70%
7	5.30%	6.50%	3.40%	3.25%	3.25%	4.00%	5.70%
8	5.10%	6.20%	3.40%	3.25%	3.25%	4.00%	5.55%
9	5.00%	5.90%	3.40%	3.25%	3.25%	4.00%	5.55%
10	5.00%	5.90%	3.40%	3.25%	3.25%	4.00%	5.55%
11	4.80%	5.90%	3.40%	3.25%	3.25%	4.00%	5.55%
12	4.75%	5.60%	3.40%	3.25%	3.25%	4.00%	5.15%
13	4.70%	5.60%	3.40%	3.25%	3.25%	4.00%	5.15%
14	4.65%	5.40%	3.40%	3.25%	3.25%	4.00%	5.15%
15	4.60%	5.40%	3.40%	3.25%	3.25%	4.00%	4.90%
16	4.60%	5.40%	3.40%	3.25%	3.25%	4.00%	4.90%
17	4.55%	5.20%	3.40%	3.25%	3.25%	4.00%	4.40%
18	4.45%	5.20%	3.40%	3.25%	3.25%	4.00%	4.40%
19	4.40%	5.20%	3.40%	3.25%	3.25%	4.00%	4.40%
20	4.35%	5.20%	3.40%	3.25%	3.25%	4.00%	4.40%
21	4.30%	5.20%	3.40%	3.25%	3.25%	4.00%	4.40%
22	4.30%	4.80%	3.40%	3.25%	3.25%	4.00%	4.40%
23	4.15%	4.80%	3.40%	3.25%	3.25%	4.00%	4.20%
24	4.15%	4.80%	3.40%	3.25%	3.25%	4.00%	4.20%
25	4.05%	4.80%	3.40%	3.25%	3.25%	4.00%	4.20%
26	4.00%	4.80%	3.40%	3.25%	3.25%	4.00%	4.20%
27	3.90%	4.80%	3.40%	3.25%	3.25%	4.00%	4.20%
28	3.75%	4.80%	3.40%	3.25%	3.25%	4.00%	4.20%
29	3.65%	4.80%	3.40%	3.25%	3.25%	4.00%	4.20%
30+	3.65%	4.80%	3.40%	3.25%	3.25%	4.00%	4.20%

Unused Annual Leave Available at Retirement

Membership Class	Hours
Special Risk	270
Senior Management Service	270
Regular Class non-K-12 Instructional	160
Regular Class K-12 Instructional	0
Elected Officers	0

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	Member Age
Special Risk	45
Other classes	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 ¹	0.2818	0	0.1853	0
Out-of-State Service Credit ²	0	0	0.0910	0.0910

¹ Pre-1987 hires only; service is eligible for the COLA.

² 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 participants.

Changes to the Actuarial Assumptions and Methods

None.

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, firefighters, firefighter trainers, fire prevention officers, state fixed-wing pilots for aerial firefighting surveillance, correctional officers, emergency medical technicians, paramedics, community-based correctional probation officers, certain health-care related positions within state forensic or correctional facilities, or specified forensic employees of a medical examiner's office or a law enforcement agency.

Special Risk Administrative Support Class – former Special Risk Class members employed as law enforcement officers, firefighters, correctional officers, or emergency medical technicians who have transferred 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 Senior Management Service of the State of Florida who fill compulsory and designated positions; 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.

(Sections 121.071 (2), 121.71)

The employer contribution rates enacted for the July 1, 2025 – June 30, 2026 plan year are as follows:

	Regular	Special Risk	Special Risk Administrative	Judicial	Elected Officers Class Leg-Atty-Cab	Local	Senior Management	DROP
Legislatively Enacted Blended Uniform Contribution Rates								
- Normal Cost Rate	7.10%	20.10%	10.88%	15.62%	10.04%	11.79%	8.73%	9.37%
- UAL Rate	<u>4.87</u>	<u>13.03</u>	<u>26.54</u>	<u>28.46</u>	<u>50.56</u>	<u>40.72</u>	<u>22.45</u>	<u>10.65</u>
- Total Rate	11.97%	33.13%	37.42%	44.08%	60.60%	52.51%	31.18%	20.02%

The above rates exclude the 0.06% administrative charge for Investment Plan administration and education (except DROP), and the 2.00% for the financing of the Florida Retiree Health Insurance Subsidy program.

(Sections 121.071, 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 Class¹
 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 military service credit.
(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))

¹ When Special Risk Class members have service in any other membership class in addition to Special Risk Class, they may satisfy normal retirement benefit eligibility based on Regular Class criteria.

- Special Risk Class^{1&2}
 1. 25 years of special risk service at any age; or
 2. Age 55 and 8 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 military service credit.(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. Optional form benefit amounts are based on actuarial equivalence factors.

(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

¹ Senate Bill 7024 enacted by the 2023 Legislature modified Tier II Special Risk normal retirement eligibility to what is shown above, effective July 1, 2023. Tier II Special Risk Class members who terminated employment prior to July 1, 2023 are subject to the pre-Senate Bill 7024 normal retirement eligibility provisions which required 30 years of Special Risk Service or Age 60 with 8 or more years of Special Risk Service.

² When Special Risk Class members have service in any other membership class in addition to Special Risk Class, they may satisfy normal retirement benefit eligibility based on the Regular Class criteria.

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 55 with 8 years of creditable special risk service or 25 years of creditable special risk service	1.60%
Age 56 with 8 years of creditable special risk service or 26 years of creditable special risk service	1.63%
Age 57 with 8 years of creditable special risk service or 27 years of creditable special risk service	1.65%
Age 58 with 8 years of creditable special risk service or 28 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 3⅓% 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:

- Special Risk Class members: Age 55
- Members in all other Classes
 - Initially enrolled before July 1, 2011: Age 62
 - 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 55 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.¹

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

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. Once eligible for unreduced immediate retirement, members have an unlimited eligibility window during which they can elect to enter the DROP. Retirement eligibility differs by tier and membership class and is reached via satisfying either service-only criteria or age-plus-service criteria.

Generally, the maximum length of DROP participation is eight years. As noted below, instructional personnel may participate in DROP for up to 24 calendar months beyond the 96-month period.

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. Effective July 1, 2023 the member can continue to work for a maximum of 96 months. Effective July 1, 2023 the interest credit is 4.0% annually.² Upon completion of the maximum eight-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

¹ 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.

² The interest credit for those entering the DROP prior to July 1, 2011 was 6.5% annually. For those entering the DROP on or after July 1, 2011 the interest credit was 1.3% annually through June 30, 2023. Effective July 1, 2023, the interest credit for those entering or currently in DROP was increased to 4.0% annually on a prospective basis as a result of Senate Bill 7024.

receiving his FRS monthly retirement benefit (in the same amount as determined at retirement, plus annual cost-of-living increases).

Effective July 1, 2023, certain eligible personnel¹ can extend their participation beyond their initial 96-month period, for up to an additional 24 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 24-month limit. Effective July 1, 2018, K-12 instructional personnel 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))

¹ For the purposes of this provision, "eligible personnel" includes: K-12 Instructional personnel as defined in Section 1012.01(2)(a)-(d), Administrative personnel as defined in Section 1012.01(3), and Administrative and instructional personnel as the Florida School for the Deaf and the Blind.

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, 2025, the minimum monthly benefit is \$39.71 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)

Changes Since Prior Valuation

There have been no material changes in system benefit provisions since the previous valuation.

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 2.00% for the financing of the Florida Retiree Health Insurance Subsidy program.

The employer allocations to the IP accounts (net of 3.00% employee contributions) are based on contribution rates as follows:

Classification	2025-2026 Plan Year Rates
Regular	8.30%
Special Risk	16.00%
Special Risk Administrative Support	9.95%
Elected Officers'	
- Judicial	15.23%
- Leg/Atty/Cab	11.38%
- Local	13.34%
Senior Management Service	9.67%

(Sections 121.71, 121.72)

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

Classification	2025-2026 Plan Year Rates
Regular	0.25%
Special Risk	1.85%
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)

The employer contribution rates to fund the line of duty death benefit under the IP are as follows:

Classification	2025-2026 Plan Year Rates
Regular	0.05%
Special Risk	1.26%
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 18th birthday of the member's youngest surviving child. Such payments may be extended until the 25th 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, 2025.

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 count of people receiving benefits and the total annual benefits. Certain annuitants are receiving multiple benefits and are shown as multiple people in the counts.

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-16 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-16 is the grand total of active members included in this valuation.

Table C-1
Florida Retirement System Pension Plan
Annuitants at July 1, 2025
Regular and Early Retirement by Age

Age	Count	Annual Benefits (in Thousands)
Under 50	2,101	\$33,330
50 to 54	3,234	115,818
55 to 59	12,506	454,714
60 to 64	40,288	1,187,388
65 to 69	84,976	2,137,952
70 to 74	103,013	2,708,795
75 to 79	95,582	2,671,679
80 & Up	104,141	2,843,922
Total	445,841	\$12,153,598

Table C-2
Florida Retirement System Pension Plan
Annuitants at July 1, 2025
Disability Retirement by Age

Age	Count	Annual Benefits (in Thousands)
Under 50	340	\$8,092
50 to 54	553	13,434
55 to 59	1,285	26,940
60 to 64	2,119	43,773
65 to 69	2,394	46,108
70 to 74	2,315	47,761
75 to 79	1,681	33,737
80 & Up	1,312	25,809
Total	11,999	\$245,654

Table C-3
Florida Retirement System Pension Plan
Potential Annuitants at July 1, 2025
Vested Terminated Members by Age for the Regular,
Senior Management Service, and Elected Officers' Classes

Age		Count	Annual Benefits (in Thousands)¹
Under	30	31	\$135
	30 to 34	1,118	6,117
	35 to 39	5,497	35,471
	40 to 44	11,222	81,997
	45 to 49	14,835	116,864
	50 to 54	19,397	145,607
	55 to 59	20,563	163,819
	60 & Up	26,098	166,554
Total		98,761	\$716,564

¹ Deferred to Age 62 (Tier I) or Age 65 (Tier II)

Table C-4
Florida Retirement System Pension Plan
Potential Annuitants at July 1, 2025
Vested Terminated Members by Age for the
Special Risk & Special Risk Administrative Support Classes

Age		Count	Annual Benefits (in Thousands)²
Under	30	8	\$104
	30 to 34	161	2,251
	35 to 39	648	10,102
	40 to 44	1,041	16,083
	45 to 49	1,069	17,571
	50 to 54	1,341	19,816
	55 to 59	734	9,615
	60 & Up	389	4,434
Total		5,391	\$79,976

² Deferred to Age 55 (Tier I, or Tier II terminated on or after 7/1/2023)
or Age 60 (Tier II, terminated prior to 7/1/2023)

Table C-5
Florida Retirement System Pension Plan
Annuitants and Potential Annuitants at July 1, 2025
All Types of Retirement by System

Membership Class	Annuitants	Potential Annuitants	Total
	Count		
Regular	404,218	97,105	501,323
Senior Management Service	6,380	1,363	7,743
Special Risk	44,375	5,380	49,755
Special Risk Administrative	155	11	166
EOC: Judicial	1,037	34	1,071
EOC: Legislative/Attorneys/Cabinet	229	79	308
EOC: Local	1,446	180	1,626
Total	457,840	104,152	561,992

Annual Benefits (in Thousands)

Regular	\$9,375,846	\$680,627	\$10,056,473
Senior Management Service	380,010	29,935	409,945
Special Risk	2,449,503	79,888	2,529,391
Special Risk Administrative	7,204	88	7,292
EOC: Judicial	116,617	1,855	118,472
EOC: Legislative/Attorneys/Cabinet	10,829	1,389	12,218
EOC: Local	59,243	2,758	62,001
Total	\$12,399,252	\$796,540	\$13,195,792

Table C-6
Florida Retirement System Pension Plan
Annuitants at July 1, 2025
DROP Members

Age		Count	Annual Benefits (in Thousands)
Under	50	269	\$22,895
	50 to 54	2,428	165,218
	55 to 59	9,265	459,032
	60 to 64	15,884	535,404
	65 to 69	9,932	242,053
	70 to 74	908	24,869
	75 to 79	204	5,554
	80 & Up	53	1,965
Total		38,943	\$1,456,990

Table C-7
Florida Retirement System Pension Plan
Summary of Active Members at July 1, 2025

Membership Class	Count	Annual Salary (in Thousands) ¹	Accumulated Employee Contributions (in Thousands)
Regular	336,745	\$20,085,992	\$4,574,404
Senior Management Service	4,948	640,111	144,056
Special Risk	69,354	5,981,285	1,141,418
Special Risk Administrative	74	4,711	1,278
EOC: Judicial	668	128,006	30,083
EOC: Legislative/Attorneys/Cabinet	89	6,269	1,504
EOC: Local	679	50,931	11,164
Teachers' Retirement System (TRS)	2	212	741
Total	412,559	\$26,897,517	\$5,904,648

¹ The salary shown in Tables C-7 through C-16 represents the salaries of the FRS DB plan members on July 1, 2025. The payroll on which normal costs are determined (\$27,596,583,000) equals the salaries for these DB plan member (excluding TRS), 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, 2025
Regular 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	1,084											1,084
20 to 24	8,401	42										8,443
25 to 29	11,960	2,497	83									14,540
30 to 34	9,757	9,928	3,608	43								23,336
35 to 39	9,660	10,785	11,764	2,777	121							35,107
40 to 44	8,980	9,619	10,436	10,546	3,918	114						43,613
45 to 49	7,999	8,396	8,545	8,871	11,598	3,532	52					48,993
50 to 54	7,625	7,928	8,124	8,178	10,302	10,837	1,887	48				54,929
55 to 59	6,658	7,527	7,806	8,092	9,821	9,755	3,422	649	13			53,743
60 to 64	3,902	5,989	6,267	5,891	6,570	5,864	1,522	627	143	3		36,778
65 & Up	1,767	3,371	3,222	2,686	2,106	1,367	724	459	298	132	47	16,179
Total Count	77,793	66,082	59,855	47,084	44,436	31,469	7,607	1,783	454	135	47	336,745

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	17,722											17,722
20 to 24	33,487	46,459										33,552
25 to 29	42,266	54,278	53,733									44,394
30 to 34	44,022	57,414	60,226	59,636								52,254
35 to 39	45,051	58,410	64,218	66,803	70,146							57,384
40 to 44	46,133	58,422	63,958	69,530	71,950	76,391						61,165
45 to 49	46,365	57,493	62,368	68,606	74,447	76,741	73,039					63,956
50 to 54	46,417	57,006	60,185	65,276	71,723	79,057	82,417	77,511				65,239
55 to 59	45,360	55,593	58,659	62,757	68,484	74,020	83,298	78,482	78,118			63,596
60 to 64	43,497	53,638	56,752	59,912	64,633	68,815	77,218	83,750	79,784	58,994		60,073
65 & Up	31,858	47,402	53,259	58,314	61,013	63,525	74,445	78,968	86,251	90,209	104,845	55,154
Avg. Annual Salary	42,907	56,498	61,009	65,440	70,178	74,643	80,950	80,433	83,981	89,516	104,845	59,647

Table C-9
Florida Retirement System Pension Plan
Member Counts and Average Salaries at July 1, 2025
Special Risk 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	284											284
20 to 24	5,929	59										5,988
25 to 29	7,704	2,700	19									10,423
30 to 34	4,855	5,492	1,579	5								11,931
35 to 39	2,724	3,701	3,673	1,367	25							11,490
40 to 44	1,460	1,731	1,971	3,046	1,465	15						9,688
45 to 49	931	879	969	1,931	2,739	597	7					8,053
50 to 54	748	665	644	1,295	2,166	1,024	144					6,686
55 to 59	494	537	422	537	735	374	152	18	2			3,271
60 to 64	172	248	216	237	199	93	41	12	3			1,221
65 & Up	43	57	47	67	56	23	11	7	5	2	1	319
Total Count	25,344	16,069	9,540	8,485	7,385	2,126	355	37	10	2	1	69,354

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	43,024											43,024
20 to 24	54,872	68,727										55,008
25 to 29	61,906	79,800	80,885									66,576
30 to 34	63,697	84,779	90,534	80,082								76,960
35 to 39	63,034	86,176	99,192	108,298	117,041							87,549
40 to 44	63,701	86,484	100,074	115,701	123,219	121,039						100,610
45 to 49	66,486	84,790	95,751	112,499	125,281	126,774	128,043					107,559
50 to 54	64,560	85,527	93,526	110,521	124,956	124,119	127,826					108,388
55 to 59	63,617	82,476	93,984	101,738	117,599	109,339	114,507	124,627	118,817			96,981
60 to 64	60,997	79,361	90,265	101,158	110,597	102,245	104,771	106,262	96,546			90,928
65 & Up	59,533	75,298	84,128	89,722	108,487	93,564	104,011	108,713	94,203	121,340	136,799	87,148
Avg. Annual Salary	60,886	84,226	96,666	111,473	123,461	120,955	118,727	115,660	99,829	121,340	136,799	86,243

Table C-10
Florida Retirement System Pension Plan
Member Counts and Average Salaries at July 1, 2025
Special Risk Administrative Support 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												
25 to 29		2										2
30 to 34		4	5									9
35 to 39		2	8	4								14
40 to 44		2	2	4	3							11
45 to 49		1	1	6	6	3						17
50 to 54		2		2	5	3						12
55 to 59			1		1	5		1				8
60 to 64					1							1
65 & Up												
Total Count		13	17	16	16	11		1				74

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		54,041										54,041
30 to 34		52,820	58,171									55,793
35 to 39		55,871	57,939	62,121								58,838
40 to 44		103,938	56,661	58,195	60,130							66,761
45 to 49		49,407	57,660	55,621	72,371	78,508						65,326
50 to 54		47,376		60,225	63,365	86,265						65,902
55 to 59			80,407		58,908	67,887		80,280				69,879
60 to 64					82,643							82,643
65 & Up												
Avg. Annual Salary		60,241	59,162	58,465	67,062	75,796		80,280				63,667

Table C-11
Florida Retirement System Pension Plan
Member Counts and Average Salaries at July 1, 2025
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	1											1
35 to 39	9	3	5									17
40 to 44	23	21	20	19								83
45 to 49	7	25	22	24	19	1						98
50 to 54	11	21	22	24	21	22						121
55 to 59	8	21	31	32	32	39	13					176
60 to 64	1	14	23	27	21	12	3	3				104
65 & Up	1	3	18	21	11	8	4	2				68
Total Count	61	108	141	147	104	82	20	5				668

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	186,197											186,197
35 to 39	189,723	189,655	167,663									183,223
40 to 44	176,701	190,636	182,049	188,408								184,195
45 to 49	176,703	178,823	195,364	191,128	193,035	186,034						188,227
50 to 54	176,146	194,844	194,657	198,545	192,242	189,831						192,481
55 to 59	182,203	195,976	197,740	186,680	193,083	193,863	196,932					193,047
60 to 64	186,042	195,385	196,404	191,871	197,110	194,316	196,898	193,277				194,816
65 & Up	196,898	196,898	198,198	196,913	193,977	199,653	206,981	196,898				197,691
Avg. Annual Salary	179,884	190,520	193,436	191,982	193,812	193,317	198,937	194,725				191,625

Table C-12
Florida Retirement System Pension Plan
Member Counts and Average Salaries at July 1, 2025
Elected Officers' Class: Legislators/Attorney/Cabinet 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	1											1
35 to 39	1	3	2									6
40 to 44	3	2	5	4								14
45 to 49	7	4	3		3							17
50 to 54	5	1	2	2	4	2	1					17
55 to 59	4		5	2	2	2	1					16
60 to 64	2	1	2	1	1		1					8
65 & Up	1	1	2	2	3	1						10
Total Count	24	12	21	11	13	5	3					89

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	29,697											29,697
35 to 39	29,079	92,778	29,697									61,134
40 to 44	29,697	29,697	103,331	105,398								77,624
45 to 49	29,937	29,697	40,029		83,611							41,134
50 to 54	23,840	29,697	29,697	119,162	174,743	124,318	29,697					83,760
55 to 59	26,810		53,172	124,318	152,407	218,939	218,939					98,960
60 to 64	24,232	29,697	24,541	29,697	29,697		218,939					50,697
65 & Up	29,697	29,697	29,697	28,872	92,778	218,939						67,380
Avg. Annual Salary	27,585	45,467	53,803	90,545	120,204	181,091	155,858					70,440

Table C-13
Florida Retirement System Pension Plan
Member Counts and Average Salaries at July 1, 2025
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	3											3
30 to 34	8	3	2									13
35 to 39	13	10	8	3								34
40 to 44	23	14	14	9	3							63
45 to 49	26	15	16	12	14	6						89
50 to 54	24	14	19	16	17	15	10	1				116
55 to 59	19	20	20	15	13	14	13	8				122
60 to 64	17	22	18	18	11	12	4	2	1			105
65 & Up	30	25	19	18	20	8	9	3	1	1		134
Total Count	163	123	116	91	78	55	36	14	2	1		679

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	7,639											7,639
30 to 34	38,861	17,162	76,782									39,688
35 to 39	29,377	63,577	46,831	148,547								54,057
40 to 44	50,423	40,365	90,946	94,672	139,939							67,777
45 to 49	60,257	55,935	73,016	98,892	96,983	122,654						77,015
50 to 54	55,171	72,787	53,560	115,115	91,130	128,482	128,260	104,553				86,778
55 to 59	37,435	81,313	63,584	102,433	107,269	100,593	110,588	145,526				86,478
60 to 64	50,375	61,441	57,152	80,355	114,817	146,887	99,997	147,105	99,234			80,974
65 & Up	46,134	67,192	77,847	78,180	40,330	74,507	47,588	83,676	175,621	103,744		62,026
Avg. Annual Salary	47,349	63,156	66,955	95,784	87,063	116,912	98,570	129,571	137,428	103,744		75,009

Table C-14
Florida Retirement System Pension Plan
Member Counts and Average Salaries at July 1, 2025
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	187	5	1									193
30 to 34	124	131	17									272
35 to 39	86	196	212	32	1							527
40 to 44	49	81	193	208	77	3						611
45 to 49	54	83	105	170	246	82	4					744
50 to 54	50	65	93	119	226	322	73	5				953
55 to 59	57	82	83	120	151	255	127	13	2			890
60 to 64	37	71	82	79	95	109	47	20	3	2		545
65 & Up	8	30	35	49	32	17	13	16	8	2	1	211
Total Count	654	744	821	777	828	788	264	54	13	4	1	4,948

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	66,613											66,613
25 to 29	68,730	106,721	122,178									69,991
30 to 34	75,774	96,032	86,530									86,203
35 to 39	87,754	101,725	109,416	107,322	107,992							102,891
40 to 44	101,010	118,777	111,932	120,685	125,528	98,665						116,592
45 to 49	118,512	135,196	120,481	129,805	134,180	128,066	120,365					129,475
50 to 54	124,360	154,294	155,793	136,299	138,897	142,604	144,275	117,490				142,061
55 to 59	131,095	145,525	141,842	142,676	147,182	144,229	167,215	162,409	181,643			147,206
60 to 64	134,929	150,979	154,085	148,195	147,818	144,929	162,109	150,460	77,221	118,768		148,609
65 & Up	119,570	163,640	145,868	151,838	171,584	187,455	168,294	157,006	158,387	293,572	200,266	160,394
Avg. Annual Salary	93,145	122,964	125,511	132,679	140,013	142,739	159,306	152,223	143,234	206,170	200,266	129,368

Table C-15
Florida Retirement System Pension Plan
Member Counts and Average Salaries at July 1, 2025
TRS – Teachers’ Retirement System

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													
35 to 39													
40 to 44													
45 to 49													
50 to 54													
55 to 59													
60 to 64													
65 & Up												2	2
Total Count												2	2

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													
35 to 39													
40 to 44													
45 to 49													
50 to 54													
55 to 59													
60 to 64													
65 & Up												106,036	106,036
Avg. Annual Salary												106,036	106,036

Table C-16
Florida Retirement System Pension Plan
Member Counts and Average Salaries at July 1, 2025
Grand Totals of All Active Participants

Count												
Age	Years of Service											
	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	1,368											1,368
20 to 24	14,332	101										14,433
25 to 29	19,854	5,204	103									25,161
30 to 34	14,746	15,558	5,211	48								35,563
35 to 39	12,493	14,700	15,672	4,183	147							47,195
40 to 44	10,538	11,470	12,641	13,836	5,466	132						54,083
45 to 49	9,024	9,403	9,661	11,014	14,625	4,221	63					58,011
50 to 54	8,463	8,696	8,904	9,636	12,741	12,225	2,115	54				62,834
55 to 59	7,240	8,187	8,368	8,798	10,755	10,444	3,728	689	17			58,226
60 to 64	4,131	6,345	6,608	6,253	6,898	6,090	1,618	664	150	5		38,762
65 & Up	1,850	3,487	3,343	2,843	2,228	1,424	761	487	312	137	51	16,923
Total Count	104,039	83,151	70,511	56,611	52,860	34,536	8,285	1,894	479	142	51	412,559

Average Salary (\$)												
Age	Years of Service											
	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	22,975											22,975
20 to 24	42,338	59,467										42,458
25 to 29	50,131	67,570	59,406									53,776
30 to 34	50,773	67,390	69,500	61,766								60,801
35 to 39	49,352	66,015	73,043	80,727	78,379							65,280
40 to 44	49,112	63,306	70,553	80,651	86,477	81,971						69,059
45 to 49	49,001	61,038	66,661	77,539	85,149	84,907	82,156					71,073
50 to 54	48,662	60,268	63,906	72,658	82,218	84,775	87,835	81,714				71,286
55 to 59	47,401	58,680	61,792	66,759	73,378	77,507	87,957	82,052	95,086			67,199
60 to 64	45,098	56,068	59,533	63,215	67,586	71,089	80,748	86,852	80,198	82,904		62,707
65 & Up	33,200	49,124	55,569	61,795	64,308	66,425	76,854	82,473	88,514	93,731	107,389	57,709
Avg. Annual Salary	47,686	62,634	66,857	73,643	78,996	79,412	85,454	83,833	86,143	93,350	107,389	65,197

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, 2025. The contributions shown beginning with plan year 2026-2027 are based on the assumption that the contribution levels calculated in this report are extended throughout the projection period, and that payroll bases on which normal cost and UAL contributions are made both increase annually in line with the valuation assumption. The contributions shown for plan year 2025-2026 are based on the Pension Plan-specific components of the legislated 2025-2026 employer contribution rates.

Beginning in the July 1, 1998 actuarial valuation with the emergence of the surplus, all UAL bases in existence at 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-2 estimates the UAL payment / (available surplus) for the next three plan years based on Florida law. The estimates are projections of the July 1, 2025 valuation results, and assume experience occurs as stated in the July 1, 2025 valuation.

Both 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, 2025
Based on Contribution Rates Before Blending

	(\$ in Millions)				
	2025 -2026	2026 -2027	2027 -2028	2028 -2029	2029 -2030
A. Employer Normal Cost ¹	\$2,944	\$3,021	\$3,127	\$3,236	\$3,349
B. UAL Payment / (Surplus Utilization) ²	\$3,328	\$3,293 ²	\$3,431 ²	\$3,574 ²	\$3,723 ²
C. Total	\$6,272	\$6,314	\$6,558	\$6,810	\$7,072

¹ Includes DROP contributions on behalf of DROP members.

² 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
Projected Annual Payments of UAL Amortization Bases¹

July 1, 2025

Projected PY 2026-2027 and Forward Based on 07/01/2025 Valuation Results and 07/01/2025 Assets

	<u>2026 - 2027</u>	<u>2027 - 2028</u>	<u>2028 - 2029</u>
1 Estimated Surplus Available Rate Stabilization Mechanism ²	\$0.0	\$0.0	\$0.0
2 (Increase)/Decrease in Available Surplus from prior year	\$0.0	\$0.0	\$0.0
<u>UAL Bases</u>			
3 1993 - 1998 Experience Study Assumption Changes	(\$47.7)	(\$49.3)	(\$51.1)
4 Special Risk Minimum In-Line-of-Duty Disability Increased to 65%	(\$0.3)	(\$0.3)	(\$0.3)
5 12% Increase in Special Risk benefits (in pay status before 07/01/2000)	\$37.5	\$38.9	\$40.2
6 1998 - 2003 Experience Study Assumption Changes	(\$347.2)	(\$359.3)	(\$371.9)
7 2003 - 2008 Experience Study Assumption Changes	\$577.0	\$597.2	\$618.1
8 2009 Experience (Gain)/Loss	\$1,810.7	\$1,874.1	\$1,939.7
9 Unrecognized (Gains)/Losses while in Surplus	(\$529.6)	(\$548.2)	(\$567.4)
10 2009 Plan Change (House Bill 479)	(\$109.5)	(\$113.3)	(\$117.3)
11 2010 Experience (Gain)/Loss	\$95.2	\$98.6	\$102.0
12 2010 Plan Change (Senate Bill 2100)	(\$104.3)	(\$108.0)	(\$111.7)
13 2011 Experience (Gain)/Loss	\$225.2	\$233.1	\$241.3
14 2012 Experience (Gain)/Loss	(\$9.1)	(\$9.4)	(\$9.8)
15 2013 Experience (Gain)/Loss	\$231.0	\$239.1	\$247.4
16 2008 - 2013 Experience Study Assumption/Method Changes	\$166.5	\$172.4	\$178.4
17 2014 Experience (Gain)/Loss	(\$225.8)	(\$233.8)	(\$241.9)
18 2015 Experience (Gain)/Loss	\$46.4	\$48.0	\$49.7
19 Special Risk 100% In-Line-Of-Duty Death (2016)	\$3.5	\$3.7	\$3.8
20 2016 Assumption Changes	\$93.8	\$97.1	\$100.5
21 2016 Experience (Gain)/Loss	\$103.3	\$106.9	\$110.7
22 Special Risk 100% In-Line-Of-Duty Death (2017)	\$7.4	\$7.6	\$7.9
23 2017 Assumption Changes	\$184.5	\$190.9	\$197.6
24 2016-2017 Experience (Gains) / Losses	\$40.7	\$42.1	\$43.6
25 2018 Assumption Changes	\$188.9	\$195.5	\$202.4
26 2017-2018 Experience (Gains) / Losses	(\$63.4)	(\$65.7)	(\$68.0)
27 Special Risk Cancer Presumption Disability and Death (2019)	\$0.9	\$1.0	\$1.0
28 2019 Assumption Changes	\$340.1	\$352.0	\$364.3
29 2019 Method Changes	(\$340.5)	(\$329.3)	(\$317.4)
30 2018-2019 Experience (Gains) / Losses	(\$34.0)	(\$35.1)	(\$36.4)
31 2020 Assumption Changes	\$324.8	\$336.1	\$347.9
32 2019-2020 Experience (Gains) / Losses	\$134.4	\$139.1	\$144.0
33 2021 Assumption Changes	\$389.3	\$402.9	\$417.0
34 2020-2021 Experience (Gains) / Losses	(\$545.3)	(\$564.4)	(\$584.1)
35 2022-2023 Plan Changes (HB 5007, HB 689, and SB 838)	\$8.0	\$8.2	\$8.5
36 2022 Assumption Changes	\$195.3	\$202.1	\$209.2
37 2021-2022 Experience (Gains) / Losses	\$72.3	\$74.8	\$77.5
38 2023-2024 Plan Changes (SB 7024)	\$103.3	\$106.9	\$110.7
39 2022-2023 Experience (Gains) / Losses	\$170.7	\$176.7	\$182.9
40 2024 Assumption Changes	\$346.8	\$359.0	\$371.6
41 2023-2024 Experience (Gains) / Losses	(\$66.1)	(\$68.5)	(\$70.9)
42 2024-2025 Experience (Gains) / Losses	(\$182.1)	(\$188.5)	(\$195.1)
Subtotal [(3) through (42)]	\$3,292.6	\$3,430.9	\$3,574.6
43 Across the Board Rate Reduction of 0% ³	<u>\$0.0</u>	<u>\$0.0</u>	<u>\$0.0</u>
Total [Subtotal + (43)]	\$3,292.6	\$3,430.9	\$3,574.6
44 UAL payment / (Surplus Available) [(1) + Total] =	\$3,292.6	\$3,430.9	\$3,574.6

1 Numbers exclude contributions to the Investment Plan. In the absence of a surplus there is an additional charge or credit to each class for each amortization base. See Tables 4-2 through 4-10 for details.

2 Projected surplus based on 07/01/2025 valuation results. Using amortization method that reflects interest.

3 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 2024 actuarial valuation to the 2025 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 2022 to June 2023	7.00%	6.70%
July 2023 to June 2024	7.68%	6.70%
July 2024 to June 2025	8.32%	6.70%

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

Period	Actual ¹	Assumed ¹
July 2022 to June 2023	6.63%	3.25%
July 2023 to June 2024	3.44%	3.25%
July 2024 to June 2025	2.23%	3.50%

3. Annual Rate of UAL Payroll Growth

Period	Actual	Assumed
July 2022 to June 2023	9.22%	3.25%
July 2023 to June 2024	6.49%	3.25%
July 2024 to June 2025	4.80%	3.50%

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 ²	Actual	Assumed ²	Actual	Assumed ²
2023	10.0%	4.3%	14.9%	5.1%	11.1%	4.4%
2024	7.3%	4.3%	8.1%	5.1%	7.5%	4.4%
2025	6.1%	4.8%	9.5%	6.0%	6.9%	5.0%

¹ 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.

² Individual rates of salary increase vary by service and membership class. Assumed rates shown for the year ended 2024 and earlier are based on the 2019 Experience study. Rates adopted with the 2024 Experience study are first reflected for the year ended 2025. Assumed rates are weighted by individual member salaries, rather than headcount.

Table E-2
Florida Retirement System Pension Plan
Data Reconciliation

	Active Participants	Disabled Participants ¹	Retired Participants and Beneficiaries ¹	DROP	Terminated Vested Participants	Total
Number reported as of July 1, 2024	426,579	12,366	441,910	36,295	104,700	1,021,850
New Entrants ²	52,525	0	0	0	0	52,525
Exits from Active Status ³ or DROP	(57,534)	126	11,765	(6,394)	7,219	(44,818)
DROP Entry	(9,011)	0	0	9,011	0	0
Cessation of benefit payments	NA	(618)	(14,775)	0	0	(15,393)
Other reported status changes, including changes from Terminated Vested status	0	125	6,941	31	(7,767)	(670)
Number reported as of July 1, 2025	412,559	11,999	445,841	38,943	104,152	1,013,494

¹ Certain annuitants are receiving multiple benefits and are shown as multiple people in the counts

² Includes rehires

³ 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>		Page/Section/Table
1 General Information:		
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
2 Assumptions:		Page/Section
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?	Table E-1
1.003 (3f)	Is there a comparison of actual to expected investment returns over the preceding 3-year period?	Table 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-20
3 Plan Provisions & Funding Method:		Section
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
4 Assets & Method:		Table
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:	Table
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)

Code Ref		Page/Section/Table
5	UAL & Amortization Schedule:	Table
1.003 (3b)	Include a plan to amortize any UAL?	4-2 & D-2
	Does amortization schedule of UAL exist (as of the valuation date) ...	Page
1.003 (3c)	- on an annual basis for the next 3-years?	Table D-2
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):	Table
1.003 (4h)	- UAL for prior valuation (w/ start date)	Page 5
1.003 (4h)	- Normal Cost, contributions, & accrued interest	Page 5
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
6	Results:	Table
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 (4i)	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)	3-1
	- PV of future benefit payments	3-2
	- AL and UAL, i.e., including amount, date, amortization period	3-1, 4-2
	- PVVB (by group), non-vested PVAB, Total PVAB	5-1, 5-2
1.003 (4i)	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 (4i)	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)	Page B-3
1.003 (4i)	Past Contributions	
	- Required plan sponsor & member contribution	4-12

<u>Code Ref</u>		Page/Section/Table
	- 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	6, 4-2 through 4-10
1.003 (4l)	Other (PVFS & PVFC at attained age and at entry age, PVFC from other sources, PVF Expected BP)	3-2
7	Data:	Table
1.003 (4i)	Are membership demographics and financial statistics included?	Appendix C
1.003 (4i)	Age/service table for actives included?	C-8—C-16
1.003 (4i)	Data reconciliation?	E-2
8	Contribution Rate:	Page
1.003 (4a)	Applicable beginning and ending dates for recommended contribution indicated?	1
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 Table 4-11
1.003 (7)	Is the impact of assumption or cost method changes indicated?	6
1.003 (9)	Were costs to be paid at a later date adjusted for interest and/or salary?	Yes, Sect. 3—4
1.003 (10)	Is the effective date of recommended changes no later than the next fiscal year?	Yes, Sect. 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

Low-Default-Risk Obligation Measure (LDROM)

Actuarial reports must comply with Actuarial Standards of Practice, which mandate disclosure of potential risks and the effect of assumptions on calculations. In compliance with a standard of practice first effective with the 2023 valuation, the following disclosure is provided.

FRS benefits are funded by a combination of employer contributions, member contributions, and investment earnings. Plan assets are invested in a diversified portfolio that is designed to maximize return over the long term for a given level of risk. The diversified portfolio includes risk-bearing, return-seeking asset classes. Asset classes with higher expected returns tend to be more volatile (and risky) than asset classes with lower expected returns.

Long-term investing in return-seeking asset classes is expected, but not guaranteed, to increase the portion of benefit funding that comes from investment earnings compared to an investing approach that uses only low-default risk, non-return-seeking asset classes. It also increases short-term volatility.

One way to measure the expected benefit of investing in a diversified, risk-bearing, return-seeking portfolio over an exclusively low-default risk, non-return-seeking portfolio is to compare the Actuarial Liability under two assumption scenarios: 1) the Conference's return assumption for plan funding versus 2) a return assumption that reflects a portfolio of exclusively low-default risk, non-return-seeking assets. A liability that uses an assumption based on a non-return-seeking, low-default risk portfolio is called a Low Default Risk Obligation Measure (LDROM).

The table below shows the Actuarial Liability under the Conference's current funding assumption of 6.7% investment return, and under an LDROM assumption using the Bond Buyer General Obligation 20-Bond Municipal Bond Index. The index is a 20-year high quality AA municipal bond rate and, based on Section 3.11.c. of ASOP 4, we believe this index meets the requirements for a discount rate for the LDROM. The index was 5.20% as of June 30, 2025. The LDROM is a required disclosure under Actuarial Standards of Practice and is not indicative of expected plan costs or funding.

	Bond Buyer Index*	Plan's Current Assumption
Discount Rate	5.20%	6.70%
Actuarial Liability as of July 1, 2025	\$290.6B	\$243.6B
Funded Status – Actuarial Value of Assets	69.0%	82.2%
Funded Status – Market Value of Assets	73.2%	87.3%

** Calculated using the same actuarial assumptions and methods that were used for this valuation, except for the investment rate of return assumption.*

The difference in Actuarial Liability between the two assumption scenarios illustrates the expected, but not guaranteed, benefit of investing in a diversified, risk-bearing, return-seeking portfolio over investing in an exclusively low-default risk, non-return-seeking portfolio.

LDROM represents the estimated liability if assets were invested solely in a low-default risk, non-return-seeking portfolio. Since plan assets are not invested in that manner, the LDROM does not indicate the plan's funding status or progress, nor does it provide information on expected plan contributions or member benefit security.

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 assumption.

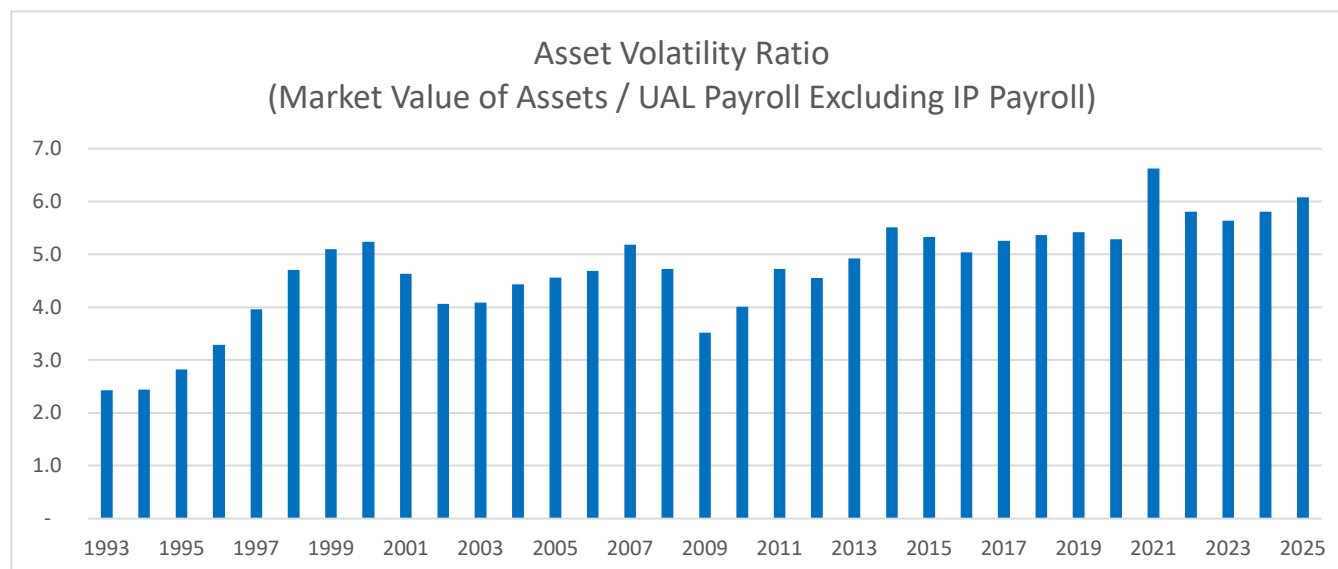
Maturity Measures and Historical Information

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.

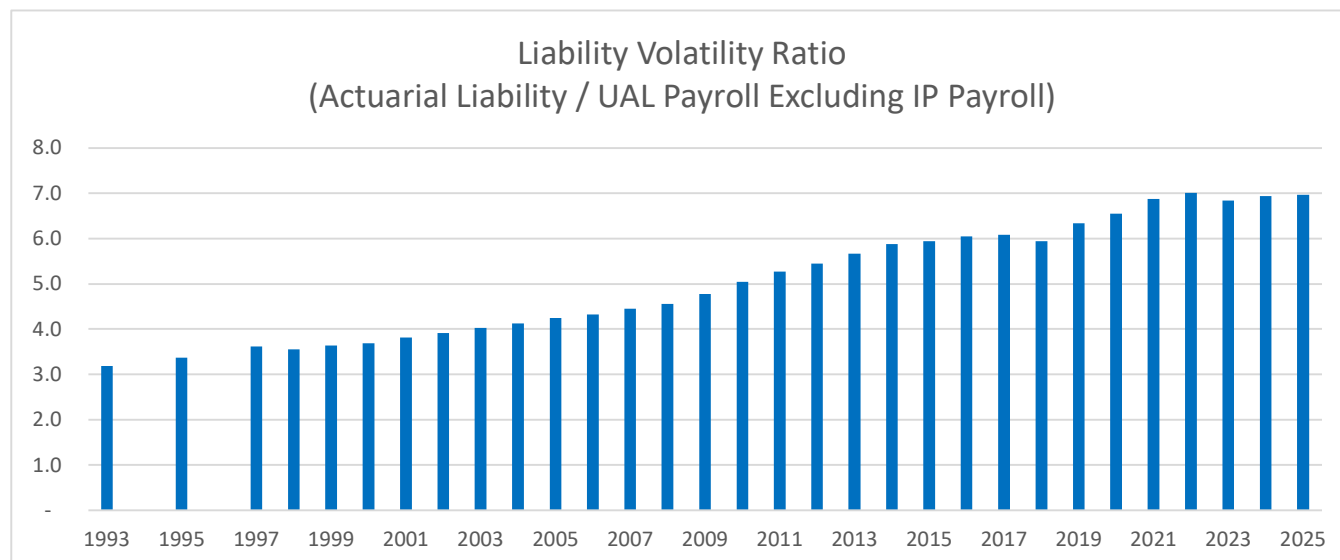


The current AVR for the FRS Pension Plan is 6.1. The AVR grew from 2.4 in 1993 to a high of 6.6 in 2021. The following table provides an illustration of how increases in the AVR increase the volatility of contributions from asset gains and losses.

Approximate eventual percent of payroll increase in contributions for an asset return 10% below the assumption if not offset by future gains	
Asset Volatility Ratio = Assets / Payroll	20-Year Amortization
2.4 (1993)	1.8%
6.1 (current)	4.4%

A return of negative 3.30% is approximately a 10% loss for FRS because it is 10% below the 6.70% investment return assumption. If a return of negative 3.30% was 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 6.1, the same return would be expected to increase contributions by about 4.4% of UAL payroll when amortized over 20 years.

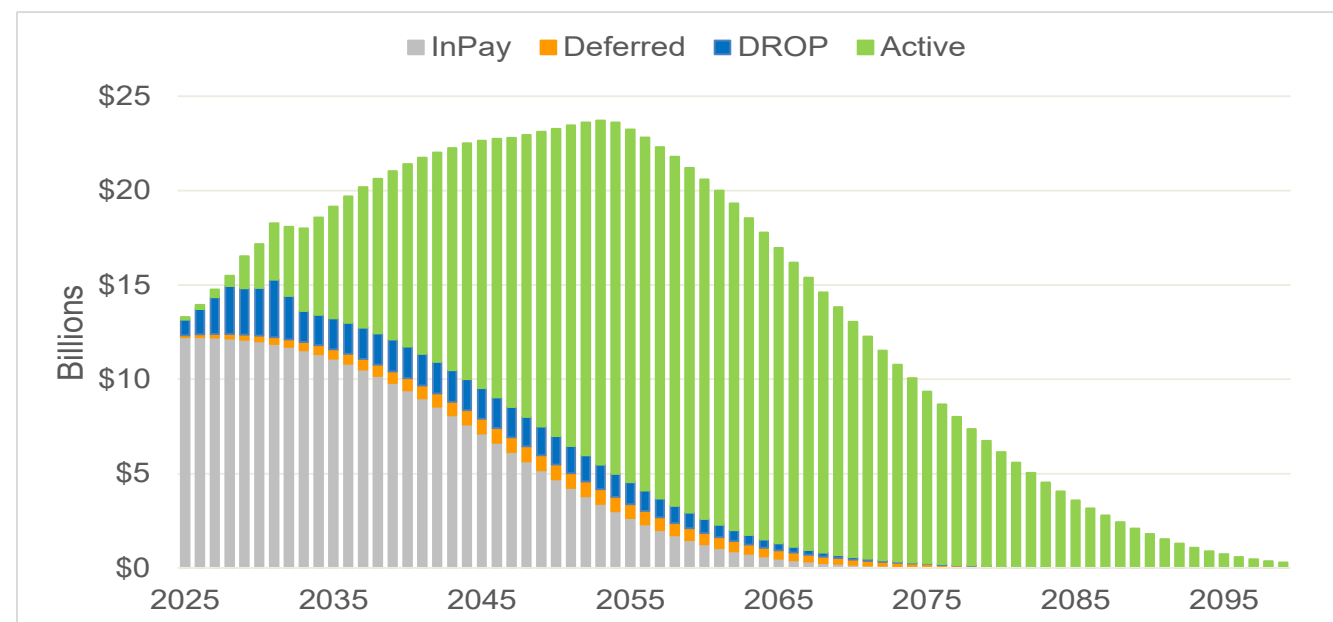
Another measure of a system's maturity is the Liability Volatility Ratio (LVR), which is equal to the AL divided by the total UAL payroll. This ratio provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. In addition, this ratio provides 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 7.0.



The graph above shows the historical LVR since 1993¹. 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, 2025. For example, payments shown in blue are all projected payments for members currently in DROP as of July 1, 2025, including annuity payments to those members after their DROP exit.



¹ 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 Status

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.