



# FPPTA PENSION PLAN DATA CENTER

October 2020

# **FPPTA PENSION PLAN DATA CENTER:**

## **Overview and Financial Personality**

**Report to the FPPTA membership to help understand the FPPTA members' pension plan statistics and to compare FPPTA plans to the 485 local defined benefit plans across the State of Florida. The report includes statistical data from FY 2018 and FY 2017.**

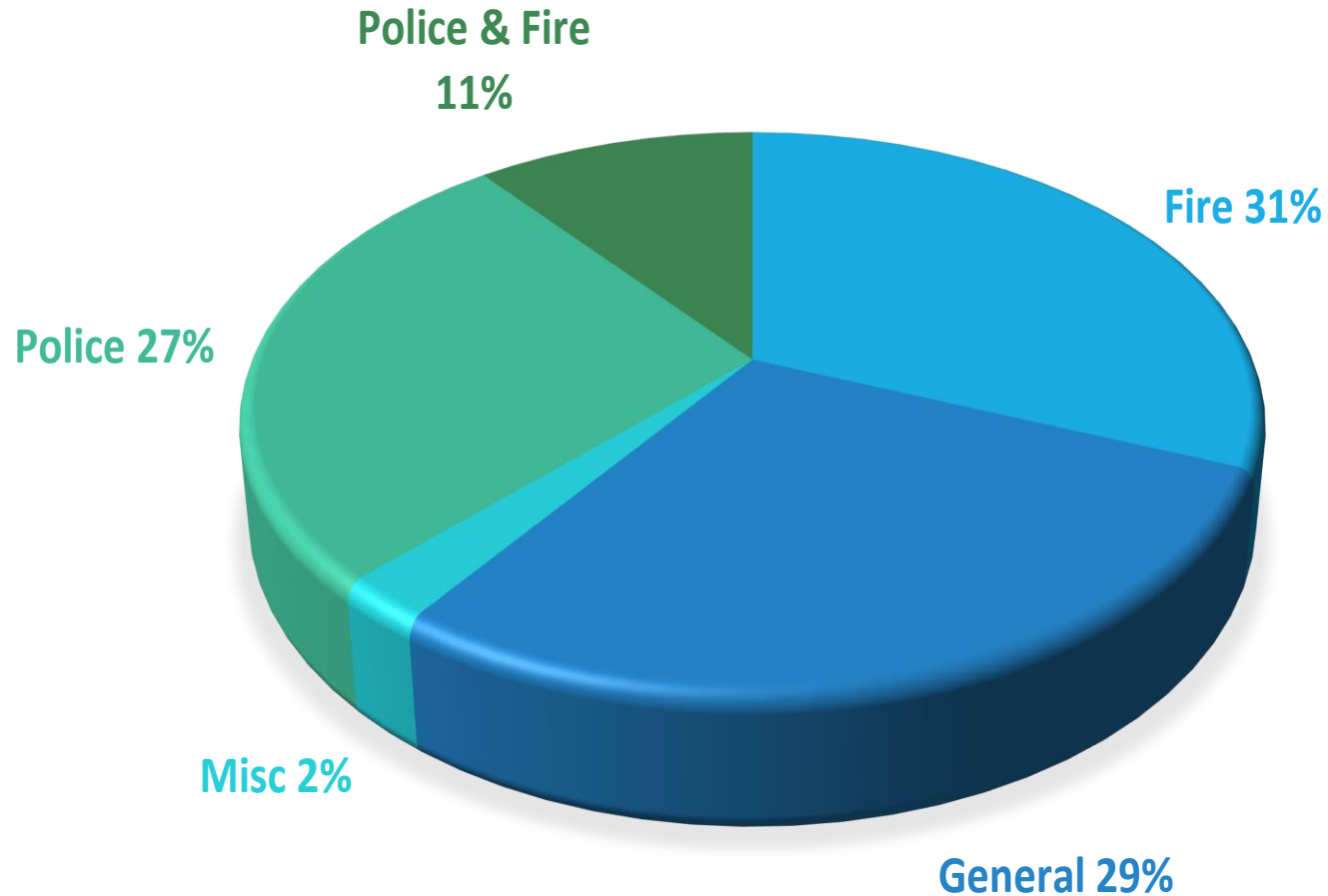
**Prepared by:  
Florida Public Pension Trustees Association (FPPTA)  
October 2020**



## **New FPPTA Initiative**

Copy of this paper is on the FPPTA website – log into your account and go to the Data Center

## FPPTA PLANS



## FPPTA Membership

FPPTA's 244 member plans represent **61.3%** (117,020) of the total (191,007) plan participants in Florida's 485 local defined benefit plans

Average FPPTA plan = 480 participants



## 485 LOCAL PLANS

	FY 2017	FY 2018
Actuarial Value of Plan Assets	\$39.6 billion	\$42.6 billion

## FPPTA PLANS

	FY 2017	FY 2018
Actuarial Value of Plan Assets	\$30.5 billion	\$33.0 billion

# Actuarial Value of Assets (AVA)

FPPTA AVA increased by 8.2% vs 485 plan increase of 7.6%

FPPTA plans invest 77.4% of the total actuarial value of assets



## 485 LOCAL PLANS

	FY 2017	FY 2018
Market Value of Plan Assets	\$39.8 billion	\$41.2 billion

## FPPTA PLANS

	FY 2017	FY 2018
Market Value of Plan Assets	\$30.9 billion	\$32.4 billion

# Market Value as of 9/30

Market value is calculated on the last day of the fiscal year (September 30)

Difference between Actuarial and Market Value of Plan Assets



## 485 LOCAL PLANS

	FY 2017	FY 2018
Actuarial Accrued Liability	\$50.1 billion	\$53.5 billion

## FPPTA PLANS

	FY 2017	FY 2018
Actuarial Accrued Liability	\$39.7 billion	\$40.4 billion

## Actuarial Accrued Liability

Reflects benefit accruals and the increase in service credits, and changes in actuarial assumptions



## 485 LOCAL PLANS

	FY 2017	FY 2018
Unfunded Accrued Liability	\$10.6 billion	\$10.9 billion

## FPPTA PLANS

	FY 2017	FY 2018
Unfunded Accrued Liability	\$9.1 billion	\$9.4 billion

## Unfunded Plan Liability

Unfunded Accrued Liability = Actuarial Value of Assets minus Actuarial Assumed Liability

Both increased from FY17 to FY18



## 485 LOCAL PLANS

	FY 2017	FY 2018
Funded Ratio - Current Valuation	93.93%	96.14%

## FPPTA PLANS

	FY 2017	FY 2018
Funded Ratio - Current Valuation	83.91%	86.91%

## Funded Ratio

Comparison of assets to liabilities

Market Value divided by Actuarial Assumed Liability

Referred to as pre-funded ratio





## 485 LOCAL PLANS

	FY 2017	FY 2018
Actual Market Value Rate of Return	10.82%	8.27%

## FPPTA PLANS

	FY 2017	FY 2018
Actual Market Value Rate of Return	11.36%	8.83%

## Market Value Rate of Return

Total investment performance of the plan's portfolio over the fiscal year

66.4% of FPPTA plans earned 8% or more in FY18

Range was 15.76% to negative 4.9%.



## 485 LOCAL PLANS

	FY 2017	FY 2018
Assumed Rate of Return	7.31%	7.30%

## FPPTA PLANS

	FY 2017	FY 2018
Assumed Rate of Return	7.46%	7.37%

## Assumed Rate of Return / Discount Rate

FPPTA plans reduced rate by 9 bp

Range is 8.5% to 3%

58.6% above the 7.37% average assumed rate

7.5% most common rate (NASRA): FPPTA and 485 plans >7.5% but <8%



## 485 LOCAL PLANS

	FY 2017	FY 2018
Percentage of Payroll contributed by employee	6.66%	6.73%

## FPPTA PLANS

	FY 2017	FY 2018
Percentage of Payroll contributed by employee	6.92%	7.01%

# Employee Payroll Contribution

Increased by 9 bp from FY17 to FY18

68.4% FPPTA plans at 7% or higher



## 485 LOCAL PLANS

	FY 2017	FY 2018
Valuation Basis Total Dollar Contribution	\$2.0 billion	\$2.1 billion

## FPPTA PLANS

	FY 2017	FY 2018
Valuation Basis Total Dollar Contribution	\$1.6 billion	\$1.7 billion

## Total Dollar Contribution

Increase attributable to the increase in unfunded accrued liability (UAL)



## 485 LOCAL PLANS

	FY 2017	FY 2018
Employees covered by Social Security	74.90%	74.90%

## FPPTA PLANS

	FY 2017	FY 2018
Employees covered by Social Security	78.28%	78.28%

## Social Security Coverage

Non-SS covered employee pensions cost more in order to make up for the loss of Social Security benefits (all employees contribute 1.45% into Medicare)



# FPPTA SHARE OF 485 LOCAL DEFINED BENEFIT PLANS

	FPPTA SHARE
Number of plan participants	61.3%
Actuarial Value of Plan Assets	77.4%
Market Value of Plan Assets	76.9%

## Conclusions

FPPTA represents half of the 485 local DB plans

FPPTA is the voice for local public pensions in Florida



# Two Factors Pension Trustees Control

**#1** – Set the assumed rate of return for the plan

**#2** – Invest the funds in a diversified portfolio that is rebalanced periodically to comply with the investment policy asset class targets



# FPPTA PENSION PLAN DATA CENTER

Go to: [www.fppta.org](http://www.fppta.org) Log into your account with your username and password – Pension Plan Data Center

- 1) FY18 FPPTA Member Data
- 2) FY17 FPPTA Member Data
- 3) FY18 Actuarial Fact Sheets – one for each plan
- 4) FY18 Inventory of Municipalities
- 5) FY18 Population Data

