

# FLORIDA PUBLIC PENSION TRUSTEES ASSOCIATION



## **PENSION NEWS CLIPS NOVEMBER 2021 ON FLORIDA PENSION ISSUES**

Prepared by Fred Nesbitt, FPPTA Media Consultant – [fnesbitt911@gmail.com](mailto:fnesbitt911@gmail.com)

### **[BB OKs police retirement plan, guns, new GPS systems](#)**

by Tomas Gomez, The Islander, November 19, 2021

Nov. 18 was a big day for the Bradenton Beach Police Department. Chief John Cosby has been restructuring the department since taking charge Oct. 11. Now, Cosby can add a new compensation plan, new service weapons and new GPS systems for eight vehicles to the list of updates. The city commission approved the compensation program in three formats: A police department contribution plan; A non-officer employee plan; A third additional retirement fund that functions as an alternative to a Roth IRA or IRA, allowing employees to contribute a portion of their income toward retirement. Approval was unanimous.

### **[City set to pare firefighters' pension debt](#)**

By CARL DiOrio, Tampa Bay Newspapers, November 12, 2021

Entering the second month of a new fiscal year, the Seminole City Council approved one last batch of expenditures from the previous annual budget. At a Nov. 2 meeting, the council approved almost \$1.6 million in boosts to the 2020-21 city budget, including a \$500,000 payment into the city firefighters' pension fund. The pension payment — which pares the level of unfunded liability to the firefighters' pension fund — follows the receipt of “higher than anticipated revenue” from state grant funding and other sources. The new level of unfunded liability hadn't yet been calculated, but it wasn't expected to be anything worrisome, and some unfunded liability is considered fairly standard in municipal budgeting.

### **[NEW PSOB LEGISLATION EXPANDS DEATH AND DISABILITY BENEFITS](#)**

IAFF News Release, November 8, 2021

Congress passed legislation significantly expanding and improving Public Safety Officer Benefits (PSOB) for fire fighters who die or are disabled in the line of duty (PAFRA; S 1511). President Biden is expected to sign the bill into law in the coming days. Among its most notable provisions, PAFRA ensures fire fighters and EMS personnel who are permanently disabled in the line of duty receive PSOB benefits even if they are able to work in a job that provides therapeutic benefits to them or involves simple tasks. Previous rules on PSOB benefits for disabled fire fighters and EMS personnel were far too limited and only provided benefits if a disabled individual was unable to perform any job. The IAFF was especially proud to secure an extension of PSOB benefits to cadets or trainees and also ensure benefits are provided to children of a fallen fire fighter or EMS provider who had not yet been born at the time of their parent's injury or death. PAFRA provides a number of other benefits and improvements to the PSOB program, including: Extending the line-of-duty presumption for COVID-19 deaths and disabilities for two years; Doubling the interim death payment from \$3,000 to \$6,000; Indexing the benefit to the date of determination to ensure families will not receive a lower benefit due to bureaucratic delays; and Retroactively extending the new disability provision to fire fighters and EMS personnel injured while responding to the September 11 terror attacks. The IAFF worked closely with members of Congress, and Representative Bill

Pascrell (D-NJ) and Senator Chuck Grassley (R-IA) in particular, to secure passage of these amendments to make sure the families of fallen fire fighters and EMS personnel receive the benefits and support they deserve.

## [New IRS Pension Limits for 2022](#)

The IRS announced new pension limits based on the COLA for 2021. These new limits begin on January 1, 2022.

Contribution to 457, 401(k): Increases from \$19,500 to \$20,500

Maximum annual benefit from a DB plan: Increases from \$230,000 to \$245,000

Catch-up contributions: No change - \$6,500 and an additional \$3,500 if over age 50

## [How Can Pensions Best Protect Against Cybersecurity Threats?](#)

By Anna Gordon, Chief Investment Officer, November 8, 2021

The recent cyber-attack on the Missouri teachers' pension fund, the Public School and Education Employee Retirement Systems (PSERS/PEERS), has exposed just how vulnerable some pensions can be when it comes to internet security. With billions of dollars, data, and personal information on the line, pensions are a prime target for cyber criminals. Unfortunately, however, some officials in the pension world may not take necessary proactive steps to best protect their funds. The hack at the Missouri fund occurred when an employee's email account was accessed for less than an hour by someone outside the retirement system without authorization. The pension sent a notification to employees and beneficiaries informing them that "personal information may have been potentially exposed to an unauthorized individual." Instead, Brill recommends that pension funds discuss cybersecurity at board meetings at least a couple times a year. During those meetings, he adds, they should be asking questions such as "How would we know if an incident occurred? What is the incident response plan? What are our cybersecurity standards?" If the pension is employing a third party to handle cybersecurity, he encourages the board to direct these questions to the firm it has hired. Pensions should also ensure they have some sort of 24/7 monitoring of their networks, as opposed to partial monitoring, Brill added. This means most pensions should use an automatic software program built into the server that will immediately alert a security operations center if something goes wrong. "You can't simply assume that because you didn't get broken into last week, you're probably OK in the future," Brill said. US pension funds have only recently received federal guidance on best practices for cybersecurity. The Department of Labor (DOL) released a [new set of guidelines](#) for plan sponsors, plan fiduciaries, recordkeepers, and plan participants this April.

## [Social Security Stabilizes Local Economies](#)

By Laura Quinby, Robert Siliciano and Gal Wettstein, Center for Retirement Research at Boston College, November 9, 2021

Social Security's great achievement for retirees is a guarantee that they'll get a check every month, without fail. Less appreciated is the stability the program brings to local economies and businesses. Retirees use their Social Security benefits to patronize establishments that sell goods and services locally such as restaurants, car repair shops, banks, and hospitals. That steady supply of spending in good times and bad helps to stabilize economies, according to [research conducted by the Center for Retirement Research](#) and funded by the U.S. Social Security Administration. Between 2000 and 2018, working-age adults' employment levels and earnings were less affected by the ups and downs in the state unemployment rate in counties where Social Security provides a higher percentage of residents' total income. During the Great Recession, for example, when unemployment rates surged across the country, earnings and employment did not decline as much in counties that were more reliant on the federal retirement benefits. Social Security, the researchers concluded, serves as a valuable "stabilizer for the local economy, above and beyond its direct value to beneficiaries."

**Editor's Note:** The stabilizing effect of Social Security is duplicated by the stabilizing effect of guaranteed monthly income from defined benefit plans, especially those of state and local government retirees. During these downturns in the economy, retirees still have income and spend money, thus bolstering the local economy.

## **BUILD BACK BETTER ACT INCLUDES PROVISIONS BENEFITING FIREFIGHTERS**

IAFF Website, November 19, 2021

The Build Back Better Act, a priority of President Biden, passed by the U.S. House of Representatives includes a number of IAFF priorities to benefit members and their families. The bill, passed by a vote of 220-213, includes: \$90 million for fire departments to purchase PFAS-free gear and foam, helping reduce fire fighters' exposure to the toxic chemical; A provision to raise the State and Local Tax (SALT) deduction cap from \$10,000 to \$80,000, reducing strain on municipal budgets and providing tax relief to fire fighters and emergency medical personnel; \$2.86 billion to fill a shortfall facing the World Trade Center Health Program and cover the 10% percent match New York City currently contributes to the program; A restoration of the above-the-line tax deduction of union dues; Four weeks of paid Family and Medical Leave for employees; \$470 million in grants to help implement NG-911 services in local communities, enabling the exchange of photo and video messages between civilians and 9-1-1 dispatchers. The IAFF partnered with a number of friends in Congress to include these provisions, including Representatives Dan Kildee (D-MI) and Jim McGovern (D-MA) on the PFAS provision, Representative Carolyn Maloney (D-NY) on the World Trade Center Provision and Representative Tom Suozzi (D-NY) on the SALT provision. The bill now proceeds to the Senate, which is expected to consider the package after the Thanksgiving holiday.

## **State-sponsored retirement programs find general support across generations: NIRS**

By Alan Goforth and C.J. Marwitz, Benefits Pro, November 26, 2021

Saving for retirement is not only difficult for many Americans, even getting access to an employer-sponsored retirement plan is nearly impossible. Some states are attempting to alleviate the situation by providing access to retirement plans for those whose employers do not sponsor a plan. [A paper authored by Dan Doonan and Kelly Kenneally](#) of the National Institute for Retirement Security (NIRS) finds Americans are generally supportive of state-sponsored, or state-facilitated retirement plans, no matter their generation or their political affiliation. A surprising number of states have taken at least a small step in considering legislation to set up state-facilitated plans — 46 have considered or studied or enacted legislation, the authors say. Within the past few years, California, Illinois, Massachusetts, Oregon, and Washington have all launched programs. Here are the main points the NIRS research found: 72% of Americans in the survey said state-facilitated retirement programs are “a good idea.” 78% of millennials in the survey said such plans are something they would participate in, the highest of the four generations polled; and Over 70% of those surveyed liked the features typical of such plans: portability; low fees; higher returns than, say, a bank savings account; and automatic enrollment.

**Editor's Note:** Sadly, Florida is listed as a state with no recent state efforts to enact such a plan.