

FLORIDA PUBLIC PENSION TRUSTEES ASSOCIATION



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Largest public pension plans' asset growth

By Larry Rothman, P&I, October 1, 2024

The 100 largest public pension systems had aggregate cash and investment assets of \$5.35 trillion as of June 30. The total has risen for three straight quarters. Assets have grown more than 14% since the end of 2022. Public equity, fixed income and cash made up almost 63% of the pension plans' assets. That excludes mutual funds and exchange-traded funds, which totaled 0.9%. The pension plans had the largest portion of their assets, nearly 38%, invested in public equities. U.S. equities accounted for 24%, and international stocks were 13.9%. Private equity represented 16% of their assets.

U.S. corporate pension fund surpluses grew again in September

By Rob Kozlowski, P&I, October 3, 2024

U.S. corporate pension funding ratios remained well above 100% at the end of September as investment returns continue to outpace rising liability values, according to two new reports. First, Wilshire Advisors estimated the aggregate funding ratio of U.S. corporate plans reached 101.6% as of Sept. 30, an increase of 0.3 percentage points above the 101.3% funding ratio newly estimated by the firm as of Aug. 31. Wilshire's assumed asset allocation is 32% long-duration fixed income, 28% core fixed income, 24% domestic equity, 14% international equity and 2% real estate.

Court rules Doral's former officials entitled to pension, cites constitutional violation

By Verónica Egui Brito, Miami Herald, October 13, 2024

After a 15-month trial, a Miami-Dade judge has ruled in favor of four former Doral elected officials in a lawsuit over the revocation of their pension benefits, declaring the city violated the Florida Constitution. The court ruled that while the city council can amend the 2021 ordinance establishing the Elected Officials Pension Plan for future participants, it cannot apply those changes to former officials whose rights have already vested. Having retired and received benefits for nearly two years, the plaintiffs are eligible to retroactive payment of their pension benefits from the date the city discontinued them, as well as the continuation of their benefits under the original terms of the plan, the judge said, ruling the city's actions violated the Florida Constitution.

The US retirement system gets a C+ in global study

By Janna Herron, Yahoo Finance, October 17, 2024

The US earned just a C+ for its retirement system in the 16th annual Mercer CFA Institute Global Pension Index, coming in 29th out of 48 countries. Since the index's inception in 2009, the US retirement system has never surpassed a C+. The big anchors on the American grade include concerns over pension funding and shortfalls in private retirement savings. Like most countries across the globe, the US retirement system must withstand the double whammy of dropping fertility rates and increasing life expectancy. Only four countries — the Netherlands, Iceland, Denmark, and Israel — earned an A ranking for their retirement systems, providing key lessons on how to shore up our system. India came in last. Provisions from Secure 2.0 that go into effect next year could also address some of our shortcomings. This year, the index score for the US decreased to 60.4 from 63.0, putting it in the same grade tier as the United Arab Emirates, Kazakhstan, Hong Kong, Spain, Colombia, and Saudi Arabia, though each of those countries had a higher overall score. The United States earned a C+ for adequacy and a C each for the sustainability and integrity of its retirement system.

[Public pension funding moves up for fifth month in a row — Milliman](#)

By Rob Kozlowski, P&I, October 17, 2024

The overall estimated funding ratio of the 100 largest U.S. public pension plans rose for the fifth month in a row in September thanks once again to strong investment returns, according to the Milliman 100 Public Pension Funding index. The increase in the funding ratio to 82.6% as of Sept. 30 from the estimate of 82% as of Aug. 31 was primarily the result of continued positive investment returns. The aggregate estimated investment return for September was 1.4%, with estimated returns ranging from 0.7% to 2.1% for the month. Before the streak of five straight months of positive investment returns began, the estimated funding ratio at the end of April had been 77.6%. Also as of Sept. 30, a total of 11 pension plans had funding ratios between 60% and 70% (up from 10 as of Aug. 31), 18 plans were between 70% and 80% (down from 20), and 23 plans were between 80% and 90% (down from 26). Currently, 34 plans stand above this benchmark compared to 29 at the end of last month. At the lower end of the spectrum, 14 plans remain less than 60% funded, a modest improvement from 15 plans below this threshold at the end of August,

[Miami city commissioners approve lifetime pensions for themselves: 'It's a 24-hour job'](#)

By Tess Riski, Miami Herald, October 15, 2024

Miami's part-time elected officials agreed to give themselves lifetime pensions in a final vote on Tuesday, reviving a program that was frozen in 2009 during the financial crisis. The City Commission had considered sending the question to voters in a referendum but ultimately decided against that. Under the pension proposal, current and future elected officials in the city — including the mayor — would become eligible to receive a pension either after starting their seventh year of service and once they've turned 62, or after 10 years of service and once they've turned 60. In other words, they would have to serve for at least two terms to become eligible.

[House advances anti-ESG legislation on investments, pensions](#)

By Stone Washington, Competitive Enterprise Institute, October 18, 2024

The US House of Representatives recently passed a major ESG reform package that is on its way to the Senate. In a vote of 217-206, with three Democrats joining the narrow Republican majority, the House advanced a set of bills countering environmental, social, and governance (ESG) finance. This came as members of the House Financial Services Committee wrapped up their highly anticipated “anti-woke week,” a series of ESG-related hearings and floor votes on bills countering pro-ESG rules. Especially since 2021, GOP representatives have been developing multiple bills to counteract the negative repercussions of several ESG rules and “woke” investment regulations enacted under President Joe Biden. While one could quibble over some of the details, it is heartening that the people's House is pursuing safeguards for the investments and retirements of hardworking Americans. Now the torch is passed to the Senate to restore a modicum of financial sanity to federal regulations that matter to so many.

[There's No Retirement Crisis and Alicia Munnell's Retirement Shows Why](#)

By John Tamny, Forbes, October 22, 2024

In an interview with the Wall Street Journal about what's ahead, Alicia Munnell was asked whether “the U.S. faces a retirement crisis.” Munnell indicates one is still likely given calculations at her center that indicate 40% of the working population isn't saving enough to maintain their current lifestyle in retirement, but the bet here is that she's not as firm as she used to be about the difficult times ahead. Fears about retirement alone and the ability to maintain pre-retirement living standards are rooted in extraordinarily dated notions. Think 65 as retirement age itself. And in thinking about it, readers might consider their own age. The very notion of walking away from work when bodies and minds are so young no longer makes sense. After which, it's about so much more than age. Work gives life meaning. As argued in my 2018 book *The End of Work*, life without work is unhappy. Work is where more and more of us get to showcase our unique skills and intelligence, it's where we get to shine. In short, it's no reach to expect that in future decades the percentage of workers not financially situated for retirement will actually go up. And the growth will be bullish. It will exist as a loud market signal of work and work options that individuals can't get enough of, and that they don't intend to quit. In other words, we're on the doorstep of more and more viewing work in the way Munnell presently does.

[An Opportunity to Address Americans' Retirement Savings Crisis](#)

By John Scott, Pew Charitable Trusts, Governing, Opinion, October 24, 2024

The numbers behind the nation's emerging retirement nightmare tell the story: Nearly 51 percent of Americans worry that they will run out of money when they are no longer earning a paycheck, and 70 percent of retirees wish they had started saving earlier. A recent Vanguard report shows that Americans at all income levels are on track to fall short of what they need for retirement, even when Social Security is included. And a study commissioned by the Pew Charitable Trusts last year showed that nationally, vulnerable households are projected to fall short of their income replacement target by an annual average of \$7,050 by 2040. The vast majority of retirement savings are amassed through plans provided by employers — typically 401(k) plans — but an estimated 56 million private-sector workers don't have a plan at work. That means that more than one-third of private-sector workers simply don't have the opportunity to save for retirement. This leaves state and federal policymakers facing a critical question: What happens when Americans don't have enough money to retire? Americans want to build a secure retirement, but more than half are living paycheck to paycheck and are frequently having to decide between focusing on daily survival and planning for their futures. Insufficient retirement savings hurts retirees and taxpayers alike. Policymakers have the opportunity — and responsibility — to further strengthen Americans' retirement security.

[Public Sector Employees Worried Over Retirement Readiness](#)

By Amanda Umpierrez, 401K Specialist, October 28, 2024

Like higher education employees, public service workers struggle to save for retirement, finds new research out today from MissionSquare Research Institute. The institute's latest national survey of public service employees finds that a growing number are concerned over whether they'll outlive their DC retirement savings. According to the research, 81% are concerned they won't have enough money to last throughout retirement, and 78% doubt they'll have enough to live comfortably during their golden years. Only 9% describe the benefits provided through their employer's plan as "very sufficient" in meeting their retirement needs. Others are concerned they won't be able to retire on time (73%) while some are unsure whether they'll have sufficient emergency savings (73%).

[Florida official wants Bitcoin included in state pension funds](#)

Cointelegraph, October 2024

Florida Chief Financial Officer Jimmy Patronis wants the agency that manages the state's retirement funds to consider investing in Bitcoin — joining a growing number of American states adding crypto to their portfolios. "Bitcoin is often called 'digital gold,' and it could help diversify the state's portfolio and provide a secure hedge against the volatility of other major asset classes," wrote Patronis in an Oct. 29 letter to the Florida State Board of Administration's executive director, Chris Spencer. Patronis' letter urges the SBA to "provide a report on the feasibility, risk and potential benefits of directing a portion of state retirement system monies into digital asset classes" and to do so before the next legislation session, scheduled for March 4, 2025. Patronis suggested that the SBA could create a "Digital Currency Investment Pilot Program" as part of the Florida Growth Fund. Petronia also said that the move would align with Florida Governor Ron DeSantis' recent effort to block central bank digital currencies (CBDCs), noting that crypto is the "antithesis" of central currency.

[Miami Mayor Suarez showed strength with heroic veto of pension plan | Opinion](#)

By Henry Courtney, Miami Herald, October 25, 2024

As a former mayor of Miami Shores, I congratulate Miami Mayor Francis Suarez on his heroic veto of the city commission vote to give commissioners a lifetime pension. On behalf of all Miami citizens, Suarez should be greatly praised for such a selfless act. He could have benefited himself, with a more than \$4 million pension, but he gave that up to benefit the citizens of the city. His act of veto took a lot of guts because he knew many commissioners wanted that pension. Those funds would have come from all the taxpayers.

Editor's Note: See updated story, [Miami elected officials' pension plan is dead after commission upholds mayor's veto](#)

[Court rules Doral's former officials entitled to pension, cites constitutional violation](#)

By Verónica Egui Brito, Miami Herald, October 12, 2024

After a 15-month trial, a Miami-Dade judge has ruled in favor of four former Doral elected officials in a lawsuit over the revocation of their pension benefits, declaring the city violated the Florida Constitution. The court ruled that while the city council can amend the 2021 ordinance establishing the Elected Officials Pension Plan for future participants, it cannot apply those changes to former officials whose rights have already vested. Having retired and received benefits for nearly two years, the plaintiffs are eligible to retroactive payment of their pension benefits from the date the city discontinued them, as well as the continuation of their benefits under the original terms of the plan, the judge said, ruling the city's actions violated the Florida Constitution. Judge William Thomas barred the city from arguing that the plaintiffs were not vested, that the plan violated laws against extra compensation, or that the pensions were improperly paid.