

FLORIDA PUBLIC PENSION TRUSTEES ASSOCIATION



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[Senate passes bill to boost Social Security benefits for some](#)

By Alexander Bolton, The Hill, December 21, 2024

The Senate voted overwhelmingly to pass legislation to boost Social Security benefits for more than 2 million Americans. The legislation will repeal two statutes that have reduced payouts to state and local police, firefighters, teachers and other public sector workers and their spouses for years. The legislation passed by a vote of 76-20. President Biden is expected to sign it into law. The bill, the Social Security Fairness Act, will repeal the Windfall Elimination Provision (WEP), enacted in 1983, which reduces the Social Security benefits of workers who receive government pensions not covered by Social Security. It will also repeal the Government Pension Offset, enacted in 1977, which reduces benefits for spouses, widows and widowers whose spouses receive public sector pensions. The legislation passed the House last month by a vote of 327 to 75.

Editor's Note: Because approximately 25% of FPPTA members are not covered by Social Security, this will benefit the members and their spouses.

[Congress Approves Full Social Security Benefits for Public Sector Retirees](#)

By Maya C. Miller, New York Times, December 21, 2024

The Senate passed bipartisan legislation that would give full Social Security benefits to a group of public sector retirees who currently receive them at a reduced level, sending the bill to President Biden. The rapid and resounding approval of the measure, which would cost nearly \$196 billion over a decade, was notable at a time when Congress is in a protracted dispute over spending and debt, with Republicans promising huge cuts and members of both parties routinely lamenting the ballooning of the nation's debt. The bill eliminates two provisions set up decades ago to shore up Social Security's solvency. Projections show the Social Security fund will run out of money in 2038 and, if no action is taken before then, beneficiaries would see a 27 percent cut in benefits. Passage of the measure speeds up that timeline by six months. The two provisions were designed to prevent what is known as "double dipping" on retirement benefits by certain public employees and their relatives.

[UnitedHealth Group sued by pension funds, including CalPERS, for securities fraud, insider trading](#)

By Palash Ghosh, P&I, December 9, 2024

Major health insurer UnitedHealth Group and three of its senior executives were sued by pension funds California Public Employees' Retirement System, Sacramento (as lead plaintiff) and **City of Hollywood (Fla.) Firefighters' Pension Fund**, among others, for alleged securities fraud and insider trading. Originally filed on May 14 by Hollywood Firefighters, the lawsuit alleges that UnitedHealth Group CEO Andrew Witty, UnitedHealth Group executive chairman Stephen Hemsley and Brian Thompson, the CEO of UnitedHealthcare, a subsidiary of UnitedHealth Group, sold tens of millions of dollars of their stock in October 2023 after the Department of Justice had re-opened an antitrust investigation into the company. The DOJ probe was in connection with the January 2021 planned acquisition of Change Healthcare, a healthcare technology and payment processing firm, which it sought to merge with its Optum Insight data analytics subsidiary. A spokesperson for Klausner, Kaufman, Jensen & Levinson, the law firm representing Hollywood Firefighters, said Hollywood Firefighters is a passive class member in the suit.

[U.S. corporate pension funding surpluses rise in November — 3 reports](#)

By Rob Kozlowski, P&I, December 4, 2024

U.S. corporate pension funding ratios jumped in November thanks to positive market returns, according to three new reports. Wilshire Advisors estimated the aggregate funding ratio of U.S. corporate plans reached 103.5% as of Nov. 30, an increase of 1.4 percentage points above the 102.1% funding ratio estimated by the firm as of Oct. 31. “November’s increase in funded status was primarily driven by positive asset returns across most asset classes, with the FT Wilshire 5000 Index reaching an all-time high and delivering the best monthly return of 2024. Corporate bond yields, which are used to value corporate pension liabilities, are estimated to have decreased by approximately 10 basis points in November. This slight increase in liability values was more than offset by the larger increase in asset values, continuing the trend of monthly increases in funded status. As a result, November’s month-end aggregate funded ratio estimate remains above 100%.” The increase in funding ratio was due specifically to a 2.2-percentage-point increase in asset values, partially offset by a 0.8-percentage-point increase in liability values.

[Major state pension funds’ discount rate continues falling — Fitch Ratings](#)

By Larry Rothman, P&I, December 3, 2024

The average state pension fund discount rate continued falling in fiscal year 2023, albeit at a slower pace than previous years, according to an analysis of 100 major plans conducted by Fitch Ratings. The assumed discount rate was 6.85% compared with 6.88% in fiscal 2022 and down from 7.63% in fiscal 2015. The number of states making at least the actuarially determined contribution increased, reaching 40 in fiscal year 2023 vs. 37 the previous year. The total has been growing throughout the years. In 2016, 25 states made the actuarially determined contribution. The median ratio of state pension plan assets to liabilities was 74.6% in fiscal year 2023, down from the prior year’s 82.7%, which Fitch Ratings attributed to lower discount rates that weren’t enough to offset the positive impact from higher contributions, among other items. Fiscal 2023’s ratios ranged from New Jersey’s 40.3% to Washington’s 108.6%.

[Bitcoin State: Florida Pensions Take \\$1.85 Billion Leap Into Crypto](#)

By Christian Encila, Bitcoinist, December 2024

The state pension fund in Florida made a bold move to align itself with the vision of US President-elect Donald Trump for a strategic Bitcoin reserve. Florida’s state officials announced that the pension fund will invest \$1.85 billion worth of members’ contributions into Bitcoin to diversify its investment portfolio. The FBBA head explained that it would not be the first time that Florida will invest in digital assets using the pension fund because the state has already made investments in Bitcoin and crypto-related assets through this fund. He explained that the fourth largest pension fund in the United States can utilize 1% of its fund to establish a Bitcoin reserve, providing the retirement savings scheme an opportunity to diversify and get exposure to the growing cryptocurrency market. Florida’s Chief Financial Officer Jimmy Patronis urged other pension funds to try investing their money into Bitcoin, adding the firstborn cryptocurrency to their state’s investment portfolio. Charles Bobrinskoy of Ariel Investments argued that Bitcoin is a “momentum-driven bubble”, adding that it has an “unstable price” and does not have real value. Meanwhile, state officials defended the move believing that Bitcoin is a “good long-term investment” and a better option to safeguard against traditional financial risks.

[Record number of U.S. corporations are shedding some pension liabilities](#)

By Rob Kozlowski, P&I, December 12, 2024

Over 500 U.S. corporations with pension plans transferred liabilities to insurance companies during the first nine months of 2024, a new record, according to a survey. U.S. pension risk transfer volume for the third quarter was significantly higher from the year-over-year period, a LIMRA survey found. Total dollar volume for pension buyout and buy-in transactions for the quarter ended Sept. 30 was \$14.2 billion, up from \$10.4 billion during the third quarter of 2023. There were 203 single-premium buyout transactions totaling \$13.1 billion during the third quarter of 2024.

[Private equity and REITs generate highest returns for pension plans over 25 years](#)

By Larry Rothman, P&I, December 12, 2024

Private equity was the highest-returning asset class among pension plans from 1998 through 2022, according to a recently released study conducted by CEM Benchmarking that was commissioned by the National Association of Real Estate Investment Trusts. The data encompasses more than 200 public and private pension plans. Private equity generated a net annualized return of about 10.2%, followed by real estate investment trusts' 8.2%. Private real estate returned 6.6%, roughly 160 basis points lower than REITs. U.S. large- and small-cap equities had returns of 7.6% and 8%, respectively. Fixed-income asset classes were among the lowest returns, including the U.S. broad bond (4.5%) and U.S. other bond (3.7%) categories.

[New Resource, SECURE 2.0: A Desk Reference for Governmental Plans](#)

Release by NCPERS, December 16, 2024

NCPERS is pleased to announce the release of a new resource, SECURE 2.0: A Desk Reference for Governmental Plans. Authored by leading industry experts, Robert Gauss, the principal author (Ice Miller LLP), with contributions from Michelle McCarthy (Nossaman LLP), and Anthony J. Roda (Williams & Jensen PLLC), this desk reference offers a focused look at the provisions most relevant to governmental plans. The guide also details actionable steps for plan sponsors, including operational changes and amendment deadlines to ensure compliance with the Act. Highlights include: Key changes to Required Minimum Distributions (RMDs), new provisions specific to public safety plans/employees, enhanced retirement savings incentives, new options for Roth contributions, expanded distribution flexibility for participants and more.

[Florida's pension system gets high marks from credit rating agency](#)

By Steve Wilson, The Center Square, December 3, 2024

A report by Fitch Ratings ranked Florida fourth best nationally for its defined benefit pension system's liabilities. The credit ratings agency's analysis measuring long-term liabilities said Florida's pension system in fiscal 2023 had the nation's third-lowest adjusted net pension liability to personal income ratio at 0.6% and the 12th lowest debt to personal income at 0.8%. Florida, according to the report, has \$12.18 billion in direct debt, nearly \$6.4 billion in reported net pension liability and nearly \$9.3 billion in adjusted net pension liability. The Sunshine State has a AAA credit rating from Fitch, the highest the firm issues. Since Gov. Ron DeSantis took office, the state has paid more than 36% of its debt and has \$17 billion in budgetary reserves.

[Florida seeks to lower pension investments in China for state workers](#)

By CBS Miami Team, December 10, 2024

Florida is moving to place a "zero" benchmark for pension investments in China. Members of the state Investment Advisory Council voted 7-2 to direct portfolio managers to lower China exposure in the Florida Retirement System Investment Plan. The move came as the state has been taking steps to divest holdings in China-owned companies. Lamar Taylor, chief investment officer for the State Board of Administration, pointed to a change in philosophy about China. Before the COVID-19 pandemic hit in 2020, investments in the country were viewed as a step to bring China into the global market and potentially improve issues such as human rights. But China has grown as an economic, political and military competitor, Taylor said. "I think there's likely to be more action taken in response to that reality, that is going to have risk in terms of impacting our returns," Taylor said. The Legislature and Gov. Ron DeSantis this year approved a bill that requested the State Board of Administration to develop a plan to sell holdings tied to companies that are majority-owned by the Chinese government, the Chinese communist party or the Chinese military.