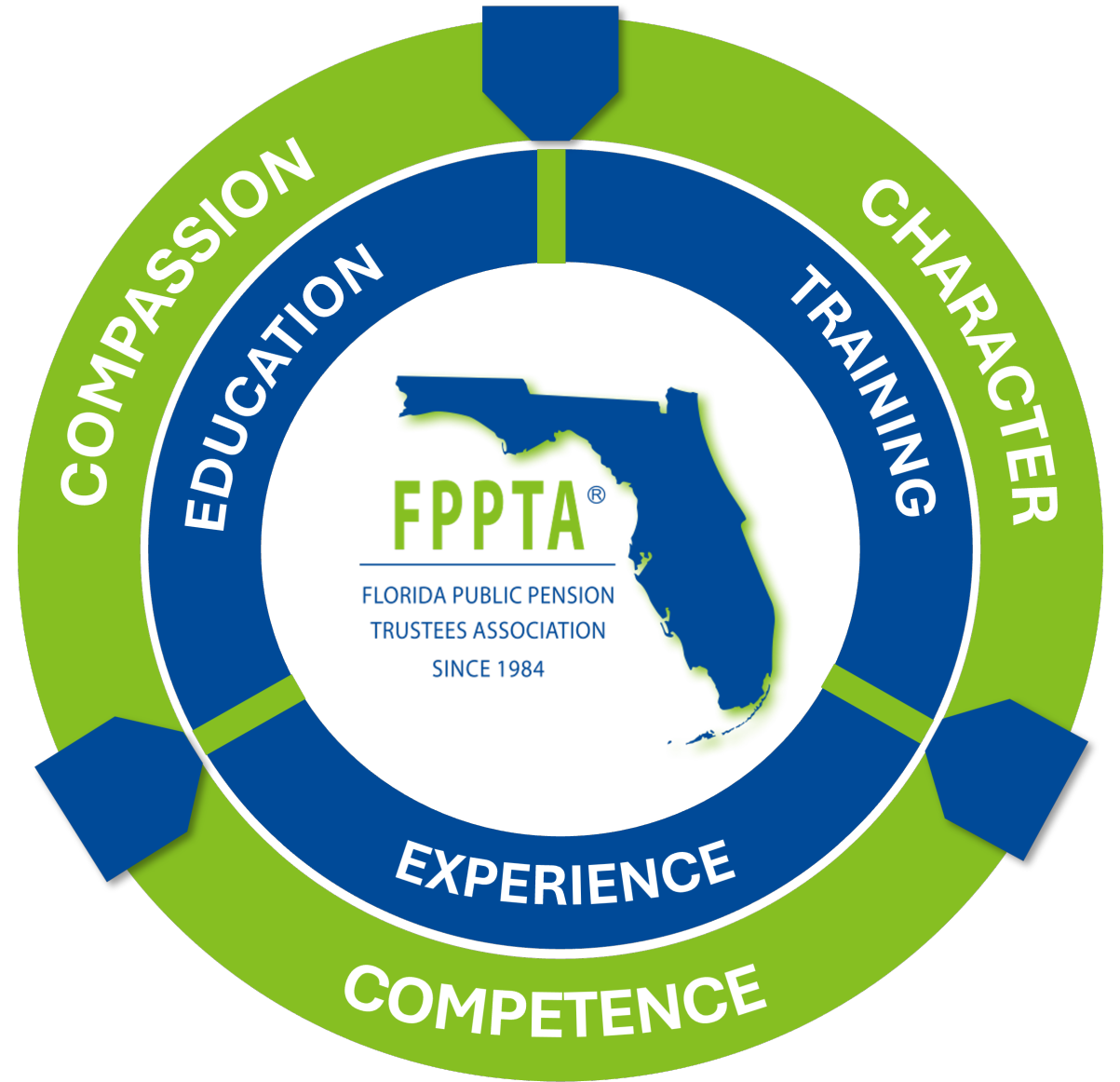

SHAPING THE FUTURE TRUSTEE BY TRUSTEE

FPPTA Educational Programs



FPPTA'S SIGNATURE CERTIFICATION PROGRAM



Pension Fundamentals



Basic



Intermediate



Advanced

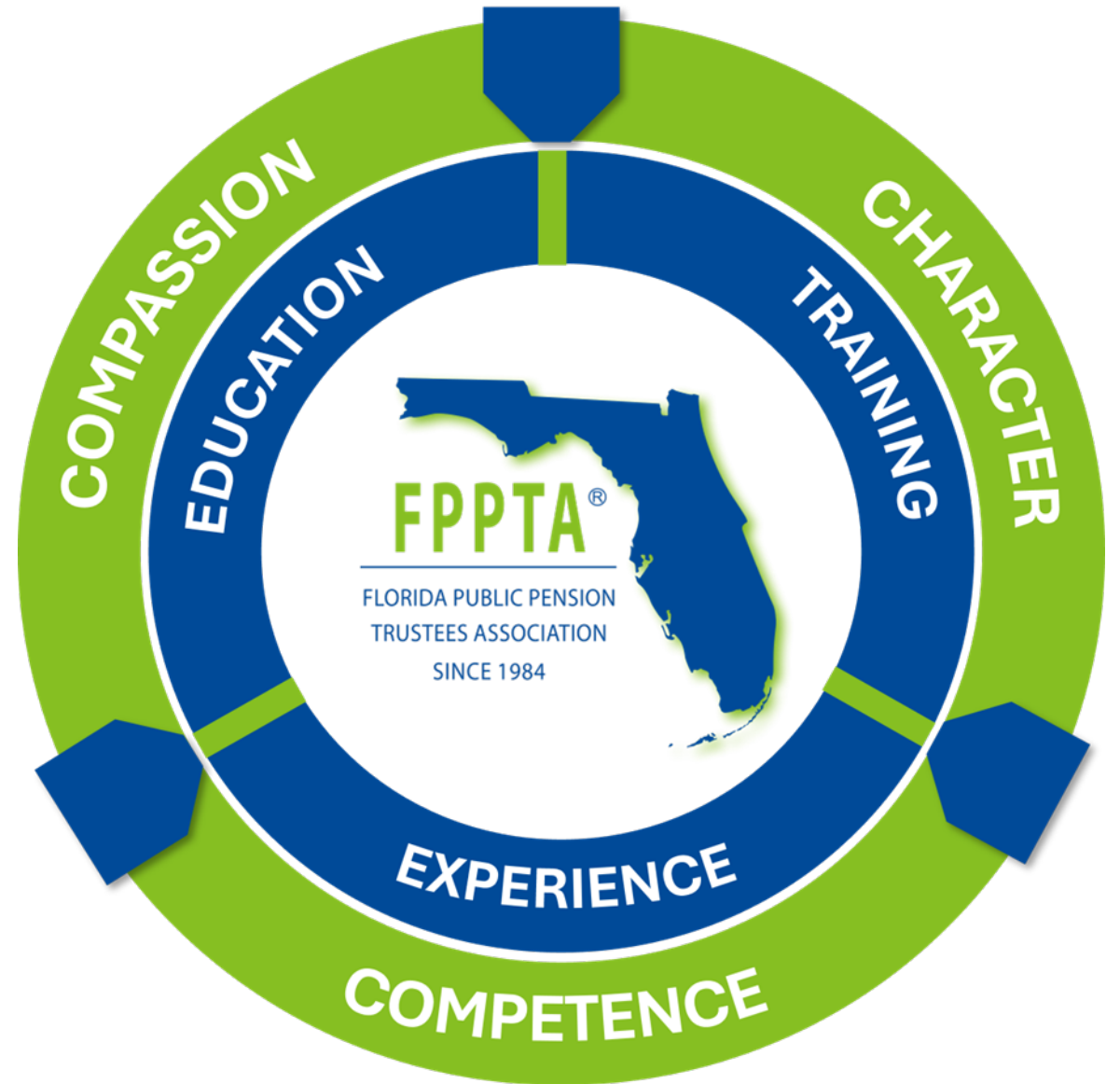


CPPT

CERTIFIED PUBLIC
PENSION TRUSTEE

CONTINUING EDUCATION

- **Foundational Learning**
- **Accelerated Learning**
- **Exchange Learning**



TRUSTEE LEADERSHIP COUNCIL

Dynamic learning where theory meets practice.

Participants will apply the principals learned over their educational journey and put them to the test in a series of discussion and team-based exercises.







FPPTA Resources

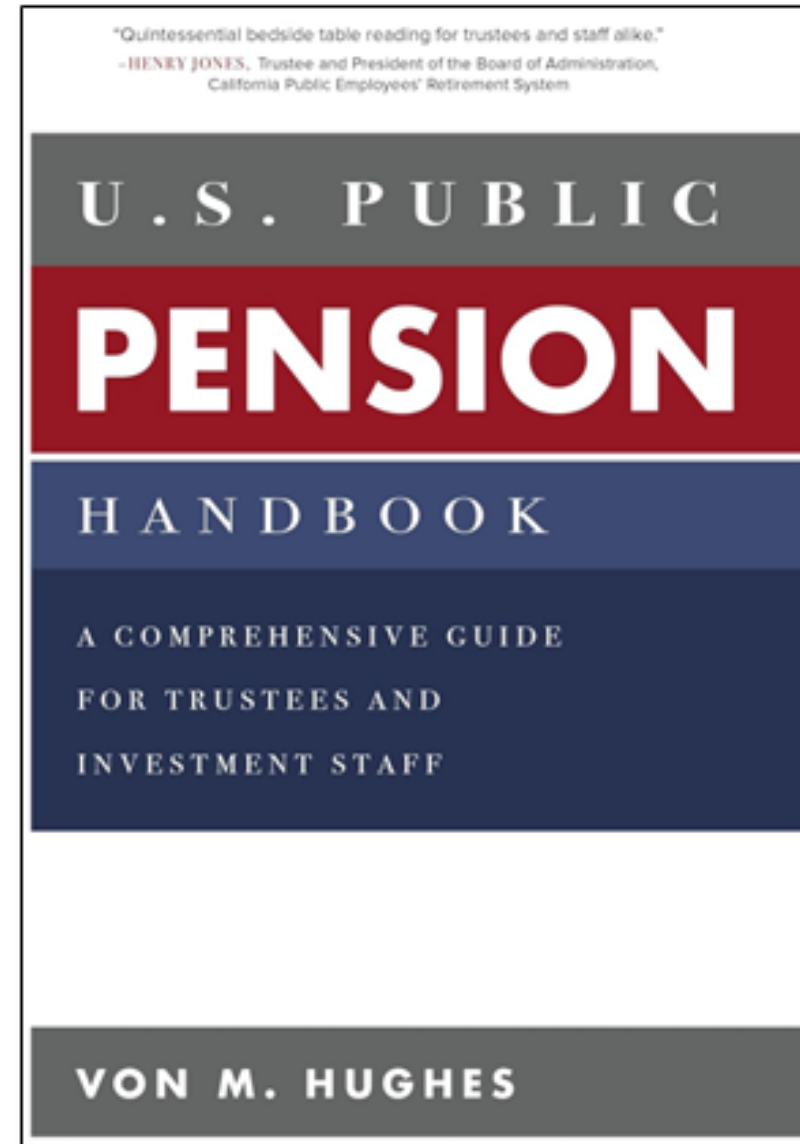
Fred Nesbitt, FPPTA Media Consultant

Sean McKinstry, Assistant Director of
Education



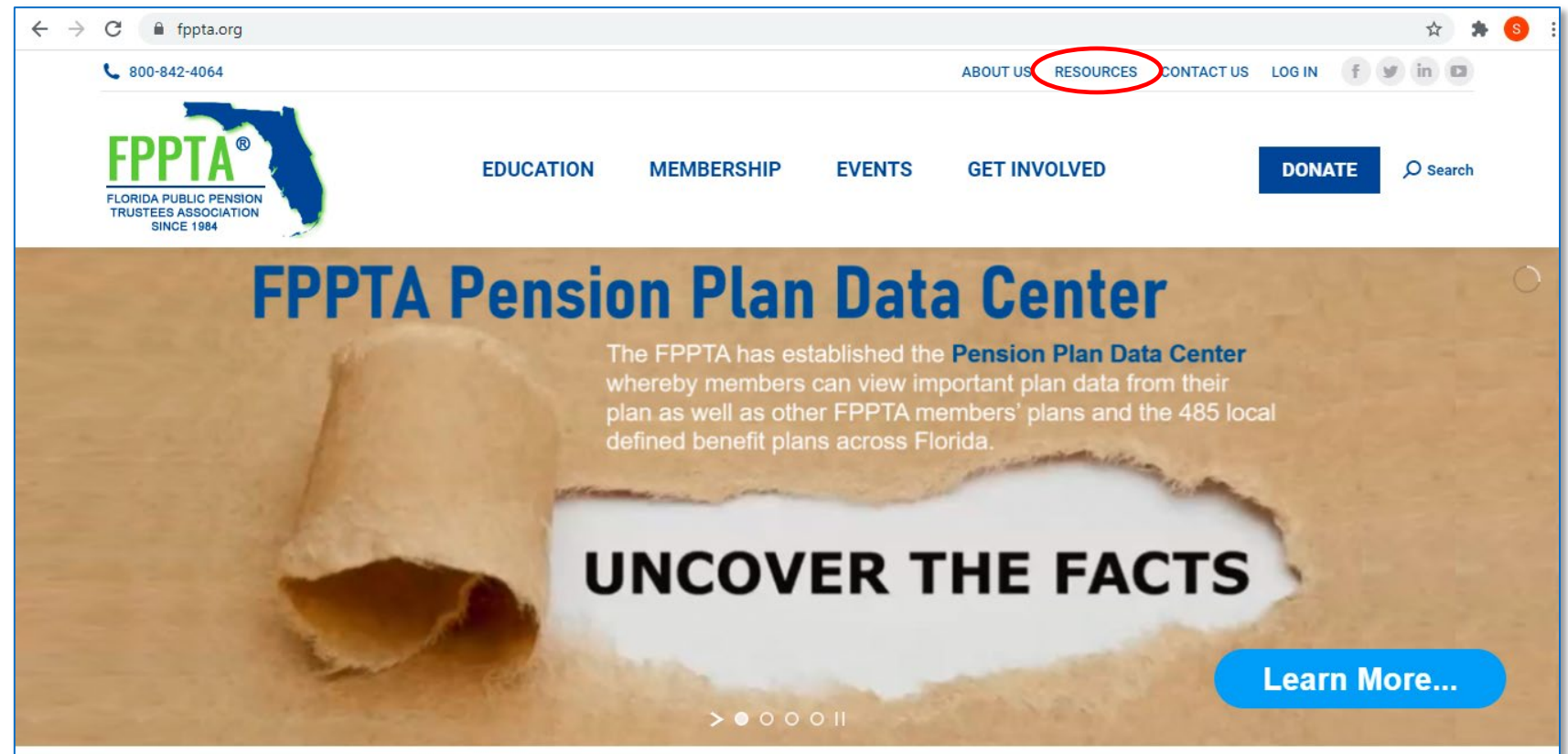
U.S Public Pension Handbook

U.S. Public Pension Handbook is the only one-stop resource that covers the various areas of public pension policy design, governance, investment management, infrastructure, accounting, and law. This comprehensive guide presents critical data, information, and insights in topic-specific, easy-to-understand ways—providing the knowledge you need to elevate your expertise and overall contribution to your pension plan or system..



FPPTA RESOURCES

- The FPPTA offers a wealth of materials, research, and information at your fingertips.
- The FPPTA Tool Box
- www.fppta.org > Resources
- FPPTA publications and communications



The screenshot shows the FPPTA website homepage. The browser address bar displays 'fppta.org'. The phone number '800-842-4064' is visible in the top left. The navigation menu includes 'ABOUT US', 'RESOURCES' (circled in red), 'CONTACT US', and 'LOG IN'. Social media icons for Facebook, Twitter, LinkedIn, and YouTube are also present. The main content area features the FPPTA logo (Florida Public Pension Trustees Association, Since 1984) and a large banner for the 'FPPTA Pension Plan Data Center'. The banner text reads: 'The FPPTA has established the Pension Plan Data Center whereby members can view important plan data from their plan as well as other FPPTA members' plans and the 485 local defined benefit plans across Florida.' Below this, a large white tear in the brown paper background reveals the text 'UNCOVER THE FACTS'. A blue button labeled 'Learn More...' is positioned in the bottom right corner of the banner. A small navigation indicator with a right arrow and four circles is located at the bottom center of the banner.

FPPTA TOOL BOX

- Fact Sheets
- Videos
- Infographics
- Social Media Content
- Tutorials
- FPPTA Publications
- Pension Plan Data Center
- Digital Reference Book
- News Clips, Reports & Studies

fppta.org/fpptatoolbox/

FPPTA Communications Tool Box

<h3>Facts Sheets</h3> <p>Learn More</p> <p>Just the facts. Neatly packaged and highly informational. A communications tool for the straight shooter.</p>	<h3>Videos</h3> <p>Learn More</p> <p>Videos are a gripping, dynamic, and highly effective communications tool. Learn how to incorporate video into your multimedia communications campaign.</p>	<h3>Infographics</h3> <p>Learn More</p> <p>Infographics are a great way to tell a simple story and convey a message without all the jargon.</p>
<h3>Social Media Content</h3> <p>Learn More</p> <p>Know your audience and how to match content with the appropriate platforms. Content tailored to be shared on social media.</p>	<h3>Tutorials</h3> <p>Learn More</p> <p>You have the content, how do you use it effectively? A series of tips, instructional videos, and advice on how to craft and distribute your message.</p>	<h3>FPPTA Publications</h3> <p>Learn More</p> <p>FPPTA newsletter, Voice Magazine, and other pieces authored and published by the FPPTA.</p>
<h3>Pension Plan Data Center</h3>	<h3>Pension Fundamentals for Florida Trustees Digital Book</h3>	<h3>News Clips, Reports & Studies</h3>

English

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 English ▾

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A resource book for trustees of any experience level. This digital book offers a comprehensive look at defined benefit plans, the responsibilities of the trustee, and the many service providers that keep a plan running.

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Research and analysis from trusted and credible sources.



PENSION FUNDAMENTALS FOR FLORIDA TRUSTEES

- A resource book for trustees of any experience level. This digital book offers a comprehensive look at defined benefit plans, the responsibilities of the trustee, and the many service providers that keep a plan running.
- Published digitally and available to all FPPTA members at no cost.



FPPTA TOOL BOX

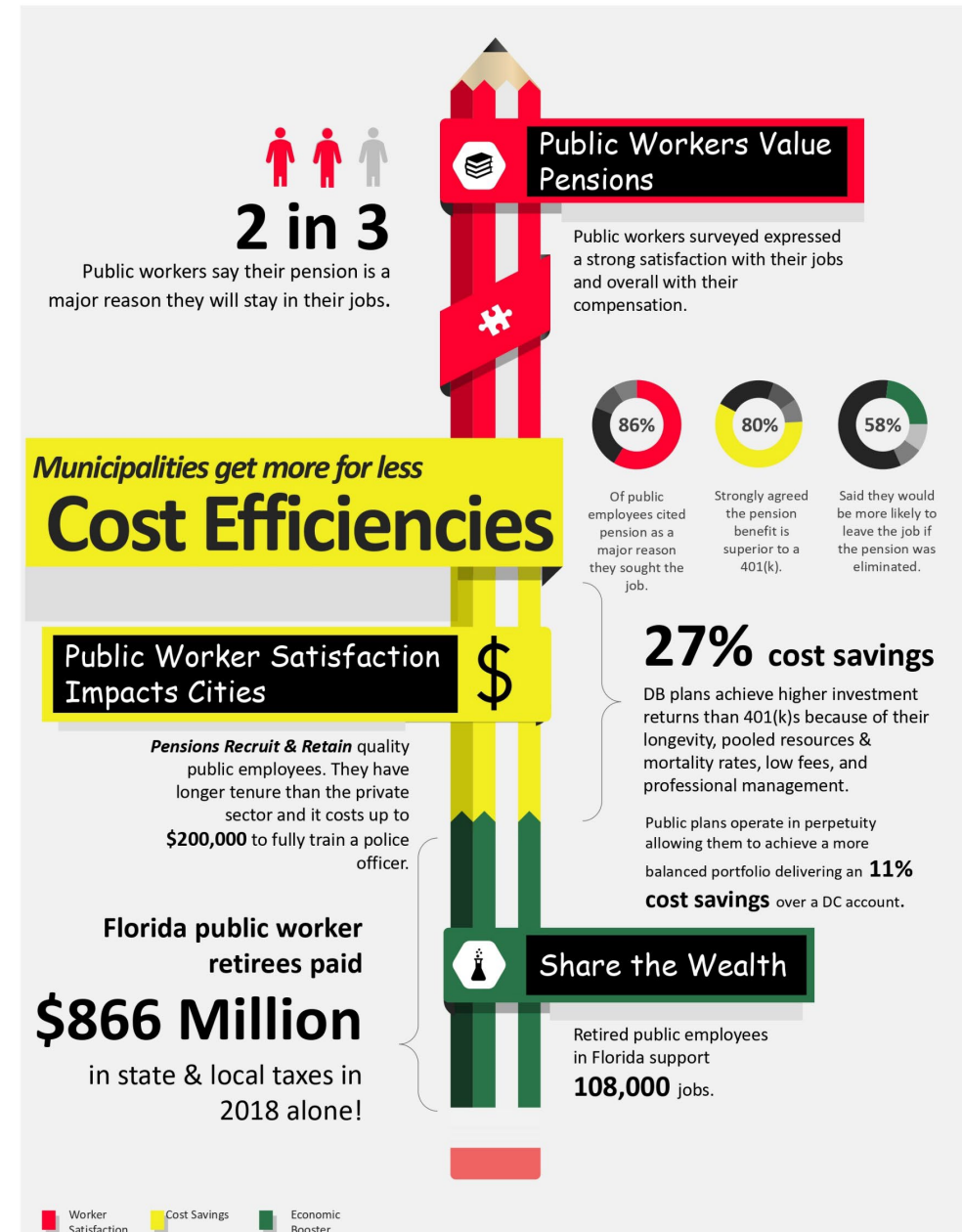
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The screenshot shows a web browser window with the URL fppta.org/fpptatoolbox/. The page title is "FPPTA Communications Tool Box". The content is organized into a 3x3 grid of tool categories. Each category includes a title, a "Learn More" button, and a short description. The "Infographics" category is highlighted with a red circle.

Category	Description
Facts Sheets	Just the facts. Neatly packaged and highly informational. A communications tool for the straight shooter.
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USING INFOGRAPHICS

- Does your municipality want to move away from defined benefit pension?
- Have they thought about what effect that would have on employee retention?
- Have they really thought about the costs?
- Have they thought about the economic impact?
- Infographics use a combination of facts, statistics, and visuals to make a compelling case.



Sources of Information
* National Institute on Retirement Security
** EBRI 2017 Retirement & Recruiting Statistics 2017.



FPPTA TOOL BOX

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FACT SHEETS

- Fact sheets offer a synopsis of your message using clear and objective truths to summarize a larger story. An effective fact sheet uses easily understood factoids that will lead the reader to an obvious conclusion.
- Fact sheets combine video, images, and text to make your point.

June 2021

Fact Check

Fact Check #1

Pensions are More Efficient than 401 (k)s

DB Plan up to 48% Cheaper to run than 401 (k)s

A public DB pension plan allows large numbers of people to invest for the average life expectancy of a group and always has new contributors to offset mortality tables. A 10% savings.

Public pension plans are ageless. They operate in perpetuity and so they can achieve a more balanced portfolio over time. Individuals must move assets to less profitable investments as retirement nears. This accounts for a 11% cost savings.

Pension plans achieve higher investment returns as compared to individual investors, because they have lower fees and are managed by investment professionals. This generates a 27% cost savings.

About 60% of every retiree benefit check is paid for with earnings on the fund, 27% with dollars allocated by the plan sponsor (as deferred compensation to employees), and with 13% from employee contributions.



David Cox Johnson is the winner of the 2004...

Pen Unfund

Critics often cite a picture budgets, claim burden for taxpayer unfunded plan.

Public pension plan unfunded liability re benefits to every cur unfunded liability re the time they do. No pension plan is 89% retirement benefits

An underfunded pl required contributions required to pay those next 10-20 years. T Moreover, the ARC with negative return contribution, there i



State & local government spending on pensions: 4.7%

All other state & local government spending: 95.3%

Far from crowding out other services, public pension plans only account for 3.5% of total budget. Source: National Association of State Retirement Administrators, 2018

June 2020


Fact Sheet

Fact Check #2

What Does it Cost to Train a Firefighter?

Firefighters in Florida
Facts & Figures

- The average cost of fire academy training is \$5,300, but in Florida most firefighters are also EMTs or Paramedics which comes with an additional price tag of about \$5,622. An associate degree in fire science is increasingly desirable, and a four-year degree is required for promotions above Battalion Chief. To fully equip a firefighter costs about \$12,500.
- The median salary for a firefighter in Florida in 2020 was \$44,667 according to [Glassdoor](#), a jobs pay ranking website. As with all first responder jobs, much of their required skills are learned or perfected on the job, so replacement of an experienced firefighter will cost at least \$175,000 and 3-years on-the-job training. The average annual pension in is \$23,400.
- According to [research](#) by the National Institute on Retirement Security, firefighters overwhelmingly agree their pension benefit is a major reason they chose their job and 99% of them reported they planned to stay in their job until retirement or until they are no longer able to work.



Equipment (PPE):
\$12,100

Firefighters put their lives on the line every day. According to the United States Fire Administration, 96 firefighters died in the line of duty in 2020.

The life of a firefighter...

For love, not money!

Firefighters wear between 5-30 kilograms on their body while fighting a fire. Shifts can last for more than 24 hours and often, in emergency situations, longer.

If a house has a lot of free space and with limited doors and walls, it will burn as fast as a match - and nothing can be seen or heard inside a burning building. The melting point for gold is 1,945 °F, but firefighters work at up to 2,200 °F inside a burning building.


When the bells start ringing, firefighters must launch instantly into action. The stresses of the job take a toll on their health in more ways than one. They are more susceptible to hypertension and heart disease - not to mention on-the-job injuries. They also have higher rates of cancer, because of the toxins they are exposed to.

With an average salary (in Florida) of \$44,667 and an average pension of \$23,000 they're not doing the job for material or financial rewards.

Approximately 25% of firefighters do not receive Social Security benefits, so for these employees, their pension is all they will receive in their retirement.

While every firefighter isn't faced with the worst scenarios on every shift, every firefighter goes to work knowing he/she might face that scenario on every shift.

Firefighters contribute to their pensions with every paycheck - often as much as 10-12% - for the duration of their careers. The pension is part of their compensation package; it is deferred salary towards the retirement benefit.



Wearing gear weighing up to 20-60 pounds, and working in intense heat with limited visibility, firefighters always answer the call.

The Claim: “A pension plan’s unfunded liability as an existential threat to future budgets! It will crowd out other services, and it creates an extra burden for taxpayers!” – Joe Q. Critic



June 2021

Fact Check

Fact Check #4

Pensions are More Efficient than 401(k)s

DB Plan up to 48% Cheaper to run than 401(k)s

A public DB pension plan allows large

Pretire ASE Pretire ASE Pretire ASE Pretire ASE Pretire ASE Pretire ASE

Pension Funding Myths

Unfunded liabilities not the same as unfunded plans

Critics often cite a public pension plan’s *unfunded liability* as an existential threat to future budgets, claiming it will crowd out other services, and that it creates an extra burden for taxpayers, but in reality, an unfunded liability is not the same as an underfunded plan.

Public pension plans are structured to be prefunded, and they operate in perpetuity. An unfunded liability represents the portion of money that will be needed to pay retirement benefits to every current and future employee in the plan when they retire. The unfunded liability represents only the money that will need to be earned or collected by the time they do. New employees nearly always replace retirees in public systems. If a pension plan is 80% funded, it means the plan already has enough money to pay retirement benefits to 80% of its current and future employees.

An underfunded plan, on the other hand, is one that has not met or made its annual required contribution (ARC), creating instability in the fund’s ability to earn the money required to pay those benefits. Actuaries review the pension fund annually to determine what the ARC should be for the upcoming year and to project what it might be over the next 10-20 years. This allows the plan sponsor to adjust, in real time, to market shifts. Moreover, the ARC is calculated to achieve the required earnings even when confronted with negative return years. If the plan sponsor faithfully makes the annual required contribution, there is little risk of underfunding.

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RECENT DEVELOPMENTS TO FPPTA PROGRAMS...

- CPPT Program Enhancements
- Trustee Leadership Council
- Trustee Mentorship Program



HOW TO STAY CONNECTED BETWEEN EVENTS

- The Connect: Monthly FPPTA Newsletter
- The Voice Magazine
- Virtual Learning



FPPTA'S RELATIONSHIPS WITH OTHER ORGANIZATIONS

- National Institute on Retirement Security (NIRS)
- National Conference on Public Employee Retirement Systems (NCPERS)
- National Association of State Retirement Systems
- Other statewide organizations (Georgia, Texas, Illinois, Pennsylvania)



EDUCATION & ADVOCACY

- You are the expert in eyes of most.
- Questions will arise and incorrect information will be out there.
- Whether reactive or proactive you are likely to be called on.



CONNECT WITH THE FPPTA!

- Be sure the FPPTA has your preferred email address so you can stay connected about new educational programs, outreach initiatives, and valuable research and information.
- The FPPTA offers these resources so you can continue your own educational journey as a trustee.
- Go beyond being a good steward of your plan. Be an expert.
- Share! Share! Share! your knowledge and experience.

TO BE AN EFFECTIVE EDUCATOR, KEEP LEARNING!

FPPTA Pension Plan Data Center

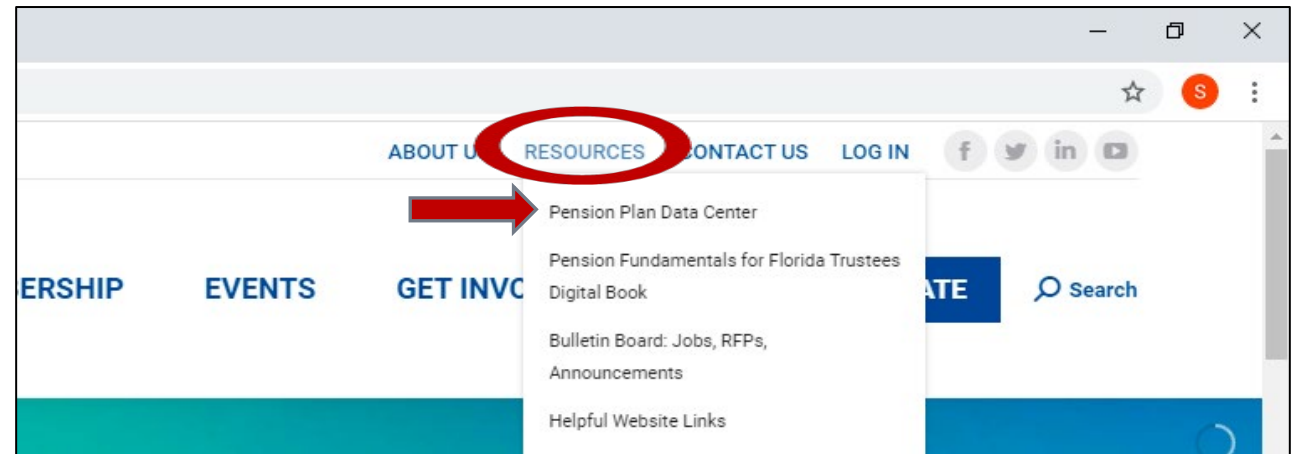
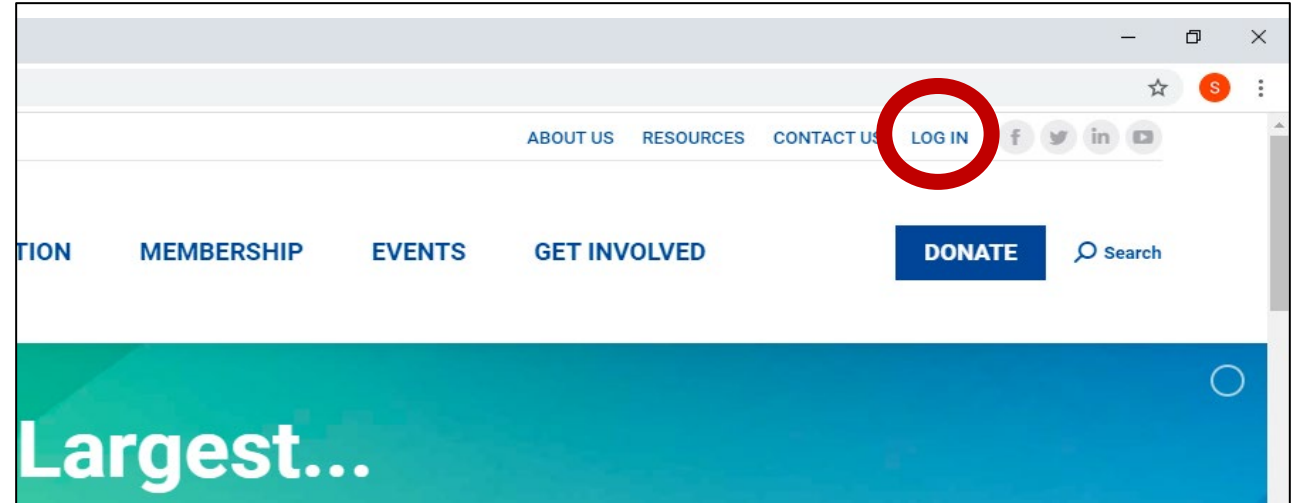
ON-LINE INFORMATION ON THE FPPTA WEBSITE: FPPTA.ORG

Pension Data Center Mission

“The FPPTA Pension Plan Data Center provides plan statistics on Florida’s 481 local defined benefit plans. It allows FPPTA members to better understand their plan and make comparisons to all Florida defined benefit plans.”

Accessing the Data Center

- Step 1: The Pension Plan Data Center is a members' only resource. Go to www.fppta.org and **log in** to your member account.
- Step 2: Once logged into your account, hover your cursor over the **Resources** menu and click on **Pension Plan Data Center**.



Role of the Trustee

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

#2 – Approve an investment strategy that outlines the asset allocation

#3 – Administer the plan documents

FY22 Data Report

Three categories of data analysis:

- 1) FPPTA Membership**
- 2) Plan Funding**
- 3) Assets Invested**

FPPTA Membership – Who are we?

- **75% (143,944) of plan participants belong to FPPTA**
- **63% (304) of local DB plans belong**
- **78% are active plans vs closed and frozen**
- **76% of plans are covered by Social Security**
- **30% plans are general employees**
- **29% are firefighters**
- **29% police officers**
- **10% police and firefighters**
- **2% other**

Plan Funding: FY22

84.2% average pre-funded ratio

(12.2%) market return

6.98% Assumed Rate - down since FY16

\$2.3 billion contribution: 55% normal cost and 45% unfunded liability

Plan Funding: FY22

General Employee Plans

- ❑ **\$1.2 billion required contribution**
- ❑ **6.2% employees**
- ❑ **39.3% city**
- ❑ **54.5% investments**

Plan Funding: FY22

Police and Firefighter Plans

- ☐ \$1.1 billion required contribution**
- ☐ 7.1% employees**
- ☐ 29.9% city**
- ☐ 7.9% state funding (175/185)**
- ☐ 55.1% investments**

Actuarial Fact Sheet

Pension Plan Data Center – Florid Actuarial_Fact_Sheets-2018.pdf

fppta.org/wp-content/uploads/2020/09/Actuarial_Fact_Sheets-2018.pdf

Actuarial_Fact_Sheets-2018.pdf 1 / 10 100%

One Page Fact Sheets

City Name	Plan Type	County Name
ALACHUA COUNTY LIBRARY	General	Alachua
ALACHUA COUNTY SCHOOL BOARD	Early Retirement Plan	Alachua
ALTAMONTE SPRINGS	General	Seminole
ALTAMONTE SPRINGS	Police	Seminole
APOPKA	Fire	Orange
APOPKA	General	Orange
APOPKA	Police	Orange
ARCADIA	General	De Soto
ARCADIA	Police And Fire	De Soto
ATLANTIC BEACH	General	Duval
ATLANTIC BEACH	Police	Duval
ATLANTIS	Police	Palm Beach
AUBURNDALE	Fire	Polk
AUBURNDALE	General	Polk
AUBURNDALE	Police	Polk
AVENTURA	Police	Miami-Dade
AVON PARK	Fire	Highlands
AVON PARK	Police	Highlands
BAL HARBOUR VILLAGE	General	Miami-Dade
BAL HARBOUR VILLAGE	Police	Miami-Dade
BARTOW	Fire	Polk
BARTOW	General	Polk
BARTOW	Police	Polk
BAY HARBOR ISLANDS	General	Miami-Dade
BAY HARBOR ISLANDS	Police	Miami-Dade
BAY MEDICAL CENTER	General	Bay
BELLE GLADE	General	Palm Beach
BELLE GLADE (RETIRED)	Police And Fire	Palm Beach
BELLE GLADE HOUSING	General	Palm Beach
BELLE GLADE	Police	Palm Beach

SAMPLE ACTUARIAL FACT SHEET

City/District Name: Boynton Beach		Employee group(s) covered: Police	
Current actuarial valuation date: 10/1/2019		Plan Status: Active	Date prepared: 1/14/2021
Number of plan participants: 295		GASB 67 Reporting	
Actuarial Value of Plan Assets (AVA):	\$108,078,649	Discount Rate	7.25%
Actuarial Accrued Liability (AAL):	\$152,640,260	Total Pension Liability	151,965,967
Unfunded Accrued Liability (UAL):	\$44,561,611	Market Value of Plan Assets	107,146,116
Market Value of Plan Assets (MVA):	\$107,300,912	Net Pension Liability	44,819,851
MVA Funded Ratio (5-year history):		Averages for all plans with 2019 current actuarial valuation date	
Current valuation	70.30%	86.62%	*
1 year prior	70.18%	88.75%	*
2 years prior	69.00%	85.83%	*
3 years prior	68.16%	82.35%	*
4 years prior	66.30%	82.16%	*
Rate of Actuarial Value, Actual (2019 Plan Year)	6.73%	7.12%	
Return: Market Value, Actual	5.17%	3.94%	
Assumed	7.25%	7.19%	
Funding requirement as percentage of payroll:	63.19%	59.70%	**
Percentage of payroll contributed by employee:	7.00%	6.47%	**
Funding requirement as dollar amount:	7,092,483	N/A	

Benefit Formula Description: 3.00% X AFC X SC
AFC Averaging Period (years): 5
Employees covered by Social Security? Yes

Additional actuarial disclosures required by section 112.664, Florida Statutes:

Florida Statute Chapter	Discount Rate	Pension Liability	Market Value of Plan Assets	Net Pension Liability	Years assets sustain benefit payments	Total Dollar Contribution	Total % of Pay Contribution
112.664(1)(a)	7.25%	151,965,967	107,146,116	44,819,851	17.42	7,269,849	63.19
112.664(1)(b)	5.25%	188,389,240	107,146,116	81,243,124	14.17	10,967,475	95.33
Valuation Basis	7.25%	N/A	N/A	N/A	17.42	7,269,849	63.19

Link to annual financial statements: <https://frs.fl.gov/forms/LOC5340083PDF10012019N1.pdf>

*Adjusted by excluding plans from average whose Funded Ratios were not within two standard deviations from the mean

**Excludes plans with zero payroll

(For explanation of terms, see glossary on page 2)

Using Data Center Information

#1 - Compare your plan with 481 Florida plans

#2 - Defend your plan's actuarial data and explain your plan's situation

#3 - Improve your plan's numbers through communications with other FPPTA plans and your consultants