FLORIDA PUBLIC PENSION TRUSTEES ASSOCIATION

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U.S. public pension funding improves to over 80% in 2025 — Equable Institute

By Rob Kozlowski, P&I, January 8, 2026

U.S. state and local pension funds' aggregate funding ratio improved to 82.5% at the end of 2025, according to a new estimate from Equable Institute. The improvement in funding ratio is due primarily to strong investment returns for the year, according to the institute. Preliminary investment returns averaged 9.5% for public pension plans for the year ended Dec. 31, well above the average assumed rate of return of 6.9% among state and local pension plans. In many states, tax revenue growth has slowed while healthcare and education costs have grown, with three dozen states projecting structural budget gaps. Those challenges could affect the amount of employer contributions that state and local governments would set for their pension plans, according to the report. The average employer contribution among U.S. public pension plans in 2025 was 31.65%. As of Dec. 31, estimated total assets among U.S. public pension plans was $5.99 trillion, while liabilities totaled $7.26 trillion.

FPPTA PENSION DATA REPORT: FY24

The FPPTA has completed its analysis of Florida's 482 local defined benefit plans based on data from FY24, as reported by the pension plans on their annual reports filed with the state.

The report shows that 70 percent of the 482 plan participants belong to a plan that is an FPPTA member. Over 76 percent of the FPPTA member plans are active plans, versus a closed or terminated plan. Membership is equally distributed between firefighters, police officers and general employees.

Plan funding shows that the discount rate continues to decline below 7%; FY24 has excellent market returns, and the pre-funded ratio was over 82%. The required contributions were split between 54% normal costs and 46% unfunded liability. The plans are almost evenly divided between active and retired members, with an average pension benefit of $35,466 for a total benefit payout of $3.8 billion annually. The plans have over $56.5 billion invested in equities, fixed income, real estate and other assets.

The next page shows the summary of the data report for FY24. These will be posted on the FPPTA website, along with a full report of the data from the 482 plans, and the 175/185 funding for 2024 by the week of February 9, 2026.

FPPTA PENSION PLAN DATA CENTER
Florida Local Defined Benefit Pension Plans: FY2024

Summary results from the FY2024 data analysis of Florida's 482 local defined benefit plans. The data come from state reports filed by plans and can be viewed on the FPPTA website.

FPPTA Membership

- ✓ **70%** (138.223) of total plan participants belong to FPPTA
- ✓ **65%** of Florida local DB plans belong to FPPTA
- ✓ **76%** of FPPTA plans are active plans
- ✓ **76%** of FPPTA plans are covered by Social Security
- ✓ **30%** of FPPTA plans are firefighters
- ✓ **30%** of FPPTA plans are general employees
- ✓ **29%** of FPPTA plans are police officers
- ✓ **9%** of FPPTA plans are police and firefighters
- ✓ **2%** of FPPTA plans are other

Plan Funding

- ✓ **82.2%** mean pre-funded ratio in FY24
- ✓ **19.6%** average actual market value rate of return in FY24
- ✓ **6.86%** average assumed rate of return - continues to decline
- ✓ **$2.7 billion** required contribution: **54%** normal cost and **46%** unfunded liability
- ✓ **6.7%** from employees**,**
- ✓ **25.1**% from city
- ✓ **3%** from state funding (175/185 funds)
- ✓ **65.2%** from investments
- ✓ **46%** active members; **43%** retired; **3%** DROP and **8%** vested terminated
- ✓ **$35,466** average annual pension
- ✓ **$3.8 billion** paid to retirees annually

Assets Invested

- ✓ **$56.5 billion** market value of all plan assets
- ✓ **62.9%** invested in equities (**9.7%** international)
- ✓ **21.2%** invested in fixed income (**.7%** international)
- ✓ **8.3%** invested in real estate
- ✓ **5.3%** invested in alternative investments
- ✓ **3.1%** invested in other assets, cash and equivalents
- ✓ **4.4%** of assets in DROP accounts

FPPTA: The **VOICE** of Florida's Public Pensions
The **ADVOCATE** for Defined Benefit Pensions
Florida Public Pension Trustees Association

Funded status of largest US corporate pension plans now well over 100% for year-end 2025

By Willis Towers Watson US LLC, January 5, 2026

The funded status of the nation's largest corporate defined benefit (DB) pension plans improved significantly in 2025, according to an analysis by WTW, a leading global advisory, broking and solutions company. WTW examined pension plan data for 349 Fortune 1000 companies that sponsor U.S. DB pension plans and have a December fiscal year-end date. The aggregate pension funded status of these plans at the end of 2025 is estimated to be 104%, an increase from 101% at the end of 2024. Pension obligations declined slightly from $1.16 trillion at the end of 2024 to an estimated $1.11 trillion at the end of 2025. According to the analysis, pension plan assets remained strong in 2025. Overall investment returns are estimated to have averaged 11% in 2025, although returns varied significantly by asset class. Domestic large capitalization equities increased by 18%, while domestic small/mid-capitalization equities rose by 12%. Long corporate and long government bonds, typically used in liability-driven investing strategies, realized gains of 8% and 6%, respectively.

Elon Musk says saving for retirement is irrelevant because AI is going to create a world of abundance: 'It won't matter'

By Marco Quiroz-Gutierrez, Fortune, January 12, 2026

Saving for retirement is pointless thanks to the impending "supersonic tsunami" of AI and robotics, which will bring about a world of zero scarcity, according to Elon Musk. While the Tesla and SpaceX CEO admitted he's "more optimistic" than most, he insisted people shouldn't stress over building a nest egg for the distant future, contrary to the staid advice of nearly all other financial professionals. "Don't worry about squirreling money away for retirement in 10 or 20 years," said the world's richest man on the Moonshots with Peter Diamandis podcast last week. "It won't matter." By 2030, AI will surpass "the intelligence of all humans combined," Musk predicted. He also claimed eventually there will be more humanoid robots than humans on Earth. Slowly, the traditional job will be replaced as well, with white collar positions first on the list. Rather than a universal income, everyone will enjoy a "universal 'you can have whatever you want' income" in the future, he claimed. In this world, the link between individual wages, savings, and living standards no longer makes sense. Even without savings, AI will help people obtain better medical care than currently available within five years, as well as remove any limit on the availability of goods, services, or educational opportunities. Part of Musk's controversial take lies in his vision of a world transformed by rapidly improving AI, robotics, and energy technology. Musk's comments build on his earlier claims that AI and humanoid robots will make work "optional" within 10 to 20 years and render money itself irrelevant. Musk previously compared the future of work to leisure activities like playing sports or video games rather than a survival necessity.

Workers have $2.75 billion in state-run retirement accounts — what to know as Minnesota, Hawaii set to launch plans

By Sarah Agostino, CNBC Personal Finance, January 15, 2025

The list of states that have launched retirement programs for private-sector workers continues to grow. This year, Minnesota and Hawaii will become the 17th and 18th states to provide a way for workers without access to a 401(k) or other workplace plan to save for retirement through their job. In general, these state-run options require all but the smallest employers to either offer their own retirement plan or facilitate worker enrollment in their state's option. Although there are some minor differences among these programs, most involve employees being automatically enrolled in Roth individual retirement accounts through a payroll deduction — starting around 3% or 5% — unless they opt out. There is generally no cost to employers, and these so-called auto-IRAs are managed by an investment company. An estimated 53.7 million full-time and part-time workers between the ages of 18 and 65 lack access to any employer-based retirement plan, according to 2025 research from the Economic Innovation Group, a bipartisan public policy group. The state-run retirement programs help fill that gap.

Pension Finances End 2025 on High Note
By Emily Boyle, Plan Sponsor, January 16, 2026
Pension finances ended 2025 on a high note, as the funded status of the largest 100 corporate defined benefit plans improved for the ninth consecutive month in December 2025, according to Milliman's Pension Funding Index. Funded ratios ended the year at 108.1%, up from 107.1% in November 2025 and 103.6% at year-end 2024, Milliman reported. Plan assets increased by $53 billion over the year, while liabilities decreased by $1 billion. The net improvement of $54 billion brought the year-end funding surplus to $98 billion.

Committee approves FRS contribution and special-risk COLA proposal
The Senate Committee on Governmental Oversight and Accountability reported favorably on SPB 70-28 on Jan. 23. Senator Mayfield told the committee the bill establishes employer contribution rates to the Florida Retirement System (FRS) effective July 1, 2026, preserves the 3% employee contribution rate and allows certain elected officers who have ceased DROP participation and are age-eligible to receive DROP payouts. The bill also restores an alternative cost-of-living adjustment (COLA) of 1.5% for retirees in the special-risk class after five years of retirement, subject to service-time eligibility (six years if initially enrolled before July 1, 2011; eight years if enrolled after that date). Supporters from firefighters, police and sheriff associations said restoring a meaningful COLA is essential for recruitment and retention. "ECOLA [cost-of-living adjustment] is one of the single most important recruitment and retention tools we have," one witness said in the hearing transcript. Following supportive testimony from representatives of Florida Professional Firefighters, the Florida PBA and other public-safety organizations, Senator Broder moved to submit SPB 70-28 as a committee bill; the motion carried without objection and the committee reported the bill favorably.

Restoring the Florida Retirement System's COLA would increase pension costs, risk
Reason Foundation, January 20, 2026
In 2011, facing overwhelming growth in annual public pension costs, the state legislature chose to suspend the Florida Retirement System's (FRS) cost-of-living adjustment (COLA) for state workers who retire after that date. This cost-saving measure was a significant component of the state's strategy to manage skyrocketing public pension costs and to steer FRS toward full funding. Since then, Florida has made some progress, but it is still on a long path to achieving this goal. A new proposal (Senate Bill 7028) aims to reinstate the costly COLA feature, which could once again expose the state and taxpayers to unpredictable expenses. Pension Integrity Project modeling of FRS shows the additional cost of bringing back COLAs, as proposed in SPB 7028, could rise to $14 billion over 30 years. FRS is still nearly $31 billion in debt. It is decades away from being able to fulfill the pension promises made to teachers, police, firefighters, and other public workers. Now is not the time to add more promises with unpredictable and

potentially costly price tags.

Editor's Note: The link is to a staff analysis of the bill that restores COLAs for Special Risk Class members.

Mississippi Sports Betting Idea Floated For Public Pension Solution

By Ian Valentino, DeadSpin, January 22, 2026

Mississippi lawmakers are again considering statewide mobile sports betting, this time positioning it as a revenue source to help shore up the state's underfunded Public Employees' Retirement System (PERS). House Gaming Committee Chairman Casey Eure has framed the proposal as both a consumer protection measure and a way to generate recurring funds for a system that faces roughly $26 billion in unfunded liabilities. Eure argues that legalizing and regulating mobile wagering could shift activity away from illegal offshore operators while also offering casinos an additional revenue stream. House leaders have also floated lottery revenue and mobile sports betting as possible long-term funding mechanisms, aligning the proposal with broader legislative discussions about stabilizing PERS.

Pension Reform News: Public pension reform drives fiscal responsibility, not inequality

Reason Foundation, January 21, 2026

Will Texas Teacher Pensions Suffer if Property Taxes Are Slashed? The governor and some Texas lawmakers are vowing major cuts to property taxes this legislative session, but the rising costs for the state's teacher pension plan would make those property tax cuts particularly difficult. With over $60 billion in pension debt, actuaries for the Teacher Retirement System of Texas (TRS) recently warned of the state's growing unfunded pension liabilities, which will push the retirement system's full funding target date beyond 35 years. To address this pension debt, Texas school districts may need to significantly increase their contributions to raise an additional $1 billion per year. Delivering on the envisioned property tax relief will require Texas policymakers to first stabilize the growing costs of TRS with meaningful reform, writes Reason Foundation's Steven Gassenberger. *Modest Pension Funding Gains, Driven by Markets* The National Association of State Retirement Administrators (NASRA) 2024 Public Fund Survey shows a small improvement in aggregate public pension funding, rising from 75.7% to 76.7% since 2023. The gain is largely attributable to strong recent investment returns. Funding outcomes vary widely across plans, with funded ratios ranging from 28% to 108% and a median of 77.8%. Over the past 30 years, roughly 60% of public pension revenue has come from investment earnings, meaning pensions remain highly dependent on market performance to fulfill benefit promises to public workers. Nearly all plans continue to pay out more in benefits than they receive in contributions.

If It's Good Enough for the Swiss

By Russ Kamp, CEO, Ryan ALM, Inc., January 15, 2026

Willis Towers Watson (WTW) has published the results for their Swiss Pension Index. Swiss funds are performing exceptionally well with the average funded ratio hitting 128.5% at year-end. The improved funding reflects strong asset performance and the impact of rising interest rates which lowered the present value of future liabilities (benefit payments). Despite the good news, WTW warns investors to be cautious "given the currently elevated valuations in global equity markets a market correction could potentially be around the corner, so continued discipline and prudent risk management is required." Given the uncertainty that is always present in the management of defined benefit pension plans whether in the United States or abroad, we always recommend a disciplined and prudent risk management approach. Our sentiment isn't restricted to U.S. markets. "Pension funds should continuously monitor their portfolios as market, interest rate, and geopolitical conditions evolve," recommends Alexandra Tischendorf, Head of Investment at WTW Switzerland. We've often shared through our blogs and research that cash flow matching (CFM) strategies are superior to duration-only implementations, as you get a more precise duration match through CFM, while also getting the liquidity to meet ongoing benefits and expenses.

City terminates firefighters' pension plan amid protests

By Vincent F. Safuto, Hernando Today, January 31, 2026

The City Council voted 4-1 Jan. 26 to terminate the Brooksville city firefighters' pension plan, moving forward despite passionate pleas from retired firefighters who said they haven't been given enough information about how the change will affect them. Terminating the pension follows the city's decision in September to dissolve its fire department and contract with Hernando County Fire Rescue for fire services. The county took over operations Oct. 1, and most city firefighters transferred to county positions, though some faced pay cuts and demotions. Joe Pecora, former chairman of the firefighter trust fund, said firefighters haven't been given options or told how termination will affect their future benefits. He added that no one has contacted him or the board's attorney about how this will affect the firefighters. Stan Mettinger, who spent 23 years with the city including 17 as a chief officer, said firefighters who transferred to the county had their careers "demolished." Actuary Patrick Donlan explained that if the plan is terminated, the pension board must approve either lump-sum payouts or annuities for each enrolled firefighter "for the continuation of their earnings."

State and Local Government Contributions to Statewide Pension Plans: FY 24

NASRA Issue Brief, January 2026

Pension benefits for employees of state and local governments are paid from trust funds to which public employers and employees contribute during employees' working years. While employees contribute with every paycheck at required statutory rates, timely and full employer contributions also are vital both to adequate funding and to the sustainability of these plans: failing to pay required contributions results in higher future costs due to foregone principal and investment earnings that the contributions would have generated. According to the US Census Bureau, on a national basis, contributions made by employers—states and local governments—in 2024 accounted for 76 percent of all contributions received by public pension plans. The remaining contributions were paid by employees. A 2025 NASRA issue brief finds that contributions made by state and local governments to pension trust funds in recent years account for 5.1 percent of all non-federal spending. Contributions are a vital source of public pension funding: of the $10+ trillion in public pension revenue received during the 30-year period since 1995, 41 percent, or more than $4.3 trillion, came from contributions paid by employers and employees. Contributions, of course, provide the basis for investment earnings, which are responsible for the majority of revenue – 59 percent for the same 30-year period – received by public pension funds.

HB4065

West Palm Beach Firefighters Pension Fund, Palm Beach County

The bill revises provisions of the West Palm Beach Firefighters Pension Fund to reflect an agreement between the West Palm Beach Association of Fire Fighters and the City of West Palm

Beach. Specifically, the bill: Increases the normal retirement benefit calculation; Revises procedures for reviewing denials of benefits; Provides powers to the Board of Trustees; Revises procedures for purchasing service credits to reflect changes in federal law; and Makes clarifying changes to certain procedures and duties of the Fund’s board.

Florida Revives Bitcoin-Only Reserve Plan After 2025 Pushback

By Anthony Clarke, Bitcoin News Today, January 9, 2026

Florida lawmakers revived a plan to let the state hold Bitcoin in a government-managed reserve, but this time with a much narrower scope. Bitcoin traded near recent range levels as the news broke, showing no sharp reaction yet. The move fits a wider U.S. trend where states test Bitcoin as a treasury asset rather than a trading bet. This matters because when governments treat Bitcoin like a reserve asset, it shifts the story from speculation to long-term holding. That shift shapes how banks, funds, and everyday buyers think about risk. Slow moves like this often matter more than price spikes. Florida already tried and failed with a broader crypto plan in 2025. This reboot shows lawmakers adjusted after resistance, not walked away. The new proposal, called Senate Bill 1038, lets Florida create a state-run Bitcoin reserve under the chief financial officer. Think of it like a digital version of a gold vault, except the asset is Bitcoin instead of metal. The bill avoids altcoins, NFTs, and **pension funds**. That choice lowers political risk and keeps taxpayer retirement money out of crypto price swings.