

FLORIDA PUBLIC PENSION TRUSTEES ASSOCIATION



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Prepared by Fred Nesbitt, FPPTA Media Consultant – fnesbitt911@gmail.com

[Estimated funded status of 100 largest U.S. DB pension plans reaches 84.7%: report](#)

Pension Policy International, March 2026

The funded status of the 100 largest U.S. defined benefit pension plans is projected to have reached 84.7 per cent as of Nov. 30, 2025, according to a new report by Milliman Inc. It noted the last time these plans reached similar heights was in December 2021, when the funded ratio reached 85.5 per cent, a high-water mark in the nearly 14-year history of the report. The report also found aggregate assets reached US\$5.05 trillion and total pension liability was \$6.50 trillion, representing an underfunding of \$1.45 trillion. This gap has narrowed compared to the prior study and is projected to have narrowed even further to \$1.04 trillion at Nov. 30, 2025.

[Corporate Pension Funding Sees Mixed February Results](#)

By Emily Boyle, Plan Sponsor, March 11, 2026

The funded status of the largest 100 corporate defined benefit plans rose to 109.4% at the end of February from 109.1% at month-end January—the highest since the 109.9% mark observed at month-end July 2001, according to Milliman’s Pension Funding Index. But across the board, firms reported both peaks and valleys last month. Rising Treasury rates since the February 28 attacks on Iran by the U.S. and Israel are not reflected in the February data.

[Stretched U.S. equity valuations could hurt pension funds to varying degrees](#)

By Larry Rothman, P&I, March 11, 2026

U.S. equity valuations remain high by historical standards, despite compressing this year, particularly after the recent selloff following the initiation of the Iran war that created economic uncertainty. The S&P 500 index’s price-to-earnings ratio stands at 26.6, down from 27.3 at year end. Similarly, the broader Russell 3000 index’s P/E multiple contracted to 27.1 from 28.1 during this period. Since the end of 2022, the P/E ratio for both indexes has increased through the end of 2025. With the ongoing Iran war presenting ongoing economic challenges, including high energy prices that have already impacted gas prices, U.S. equities’ high P/E ratio makes them vulnerable to a sharp selloff should economic growth slow. In a limited response, four out of six large plan sponsors believed U.S. equities were overpriced when responding to Pensions & Investments’ annual top 1,000 plan sponsor survey. While large pension plans’ U.S. equity allocation has dropped over the years, it still accounted for a large portion of their assets, based on P&I’s plan sponsor survey. With an average of more than 21%, it was the largest allocation among various asset classes. However, corporate and public pension funds have vastly different exposures to U.S. equities. The former has an average 10.2% allocation, while the latter is much higher, 22.2%.

[Uncertainty, Not Just Policy, Is Reshaping Retirement in America](#)

By James Van Bramer, Plan Sponsor, March 18, 2026

For workers nearing retirement, it is not just policy changes that are altering their plans, but the growing uncertainty of what those policies might become, according to [a new survey conducted](#)

by the Center for Retirement Research at Boston College. “How Policy Risks Affect Retirement Planning for Older Americans,” a brief based on the survey, found that anxiety over the future of Social Security, Medicare, taxes and inflation is prompting many older Americans to delay retirement and adopt more conservative financial strategies. The report draws on a 2025 survey of more than 1,400 Americans ages 45 through 79 with at least \$100,000 in investable assets. It found that that group’s concerns about their financial future have risen sharply, with many respondents citing Social Security cuts and inflation as their greatest fears. Even without concrete policy changes, the mere possibility of shifts—from benefit reductions to tax increases—is enough to alter decisions. Those fears seem to be growing as the Social Security trust funds deplete. Last year, the Social Security Administration estimated that the trust funds were expected to deplete by 2034. In February, the Congressional Budget Office predicted it to be insolvent by 2032, which would mean reduced benefits for retirees.

[How Pension Funds Can Support Growth and Build an Economy That Benefits Workers](#)

By Julie Su and Casandra Robertson, The Century Foundation, March 19, 2026

Private equity firms have increasingly come under fire for actions that are making life more difficult and unaffordable, such as driving up the prices of single-family homes, closing hospitals that aren’t profitable enough, and laying off workers at companies they have purchased. New efforts by public pension funds are hoping to counter these bad practices and instead promote investments that benefit communities and workers. Public pension funds have the ability to drive investment in our economy to promote shared prosperity while seeking competitive risk-adjusted returns. These funds represent over \$6 trillion in capital, and are the collective retirement savings of millions of teachers, firefighters, nurses, sanitation workers, and other public employees who have earned these benefits through years of service. These funds are invested across the economy, in private equity, in real estate, and in public markets. The largest asset managers in the world rely on pension fund dollars to help fill their portfolios. Recognizing this power, public pension funds are increasingly instituting policies to ensure that their money works for the people who contributed it, not against them. In line with the funds’ fiduciary duty to seek diversified, consistent, risk-adjusted returns for their participants, funds are thinking deeply about what prompts growth and prosperity. Some states are using their pension funds to invest in affordable housing or infrastructure, leveraging their capital to build the future workers hope to see. But one of the most powerful innovations is a new movement of public pension funds adopting workforce principles and requiring asset managers abide by them across their portfolio. Such principles—consistent with the fiduciary duty that fund managers have—promote investments that simultaneously maximize returns and worker well-being. Worker power and worker rights are not at odds with competitive risk-adjusted returns. They are self-reinforcing. As unions and pension trustees continue to advocate for workers in investment decisions, they are building a more sustainable economic foundation that benefits everyone.

[How Pensions Power the Economy](#)

By Tim Walker., NEA Today, March 20, 2026

KC Walsh has been a longtime advocate for the California State Teachers Retirement System (CalSTRS)—a defined benefit pensions (DB) plan and the second largest pension system in the United States. She and other California public school educators, current and retired, know their pension benefits are superior in value and security to what they would receive under a 401(k)-style plan. But if some politicians and private interests have their way, these plans could be diluted, if not altogether abolished. “Pensions are important to the financial security of retirees, but it doesn’t stop there,” says Dan Doonan, NIRS executive director and co-author of the report. “Spending of pension income by retirees has a giant-sized economic footprint that benefits virtually every community across the country.” DB pensions provide: A Lifetime of Retirement Security; Pensions Boost Tax Revenue; Pensions Create Jobs; Pensions Help Keep Educators in

the Classroom; and Voters Support Pensions. Despite this popularity and the proven positive impact that pensions have on the economy and communities, threats to defined benefit plans persists.

[US. How Pension Funds Can Support Growth and Build an Economy That Benefits Workers](#)

Public Pension International, March 20, 2026

Private equity firms have increasingly come under fire for actions that are making life more difficult and unaffordable, such as driving up the prices of single-family homes, closing hospitals that aren't profitable enough, and laying off workers at companies they have purchased. New efforts by public pension funds are hoping to counter these bad practices and instead promote investments that benefit communities and workers. Public pension funds are increasingly instituting policies to ensure that their money works for the people who contributed it, not against them. In line with the funds' fiduciary duty to seek diversified, consistent, risk-adjusted returns for their participants, funds are thinking deeply about what prompts growth and prosperity. Some states are using their pension funds to invest in affordable housing or infrastructure, leveraging their capital to build the future workers hope to see. But one of the most powerful innovations is a new movement of public pension funds adopting workforce principles and requiring asset managers abide by them across their portfolio. Such principles—consistent with the fiduciary duty that fund managers have—promote investments that simultaneously maximize returns and worker well-being. For fully diversified, long-term investors such as public pension funds who touch all parts of the economy, higher productivity and lower inequality is a strong strategy to promote growth and protect future returns. Treating workers with dignity can help to achieve these goals.

[Public pension funds commit to PE funds specializing in defense as military conflicts drive demand](#)

By Ryan Prete, P&I, March 26, 2026

Public pension funds across the U.S. have committed capital to private equity funds backing defense suppliers, positioning institutional investors' portfolios to potentially benefit as the Iran war and other international conflicts place significant demand on high-cost missile and munitions inventories. A March 6 PitchBook research report notes that private equity firms have been targeting supply-chain companies that serve “prime contractors” in building weapons needed for U.S. air and missile defense systems. That specialized equipment has become more valuable as defense spending soars. On Feb. 3, President Donald Trump signed into law a fiscal 2026 defense spending bill allocating \$839 billion to the Pentagon. Earlier this year, Trump said in a social media post that he plans to request a \$1.5 trillion defense budget for fiscal 2027 — an increase of more than 50% year-over-year if approved. Private equity firm Veritas Capital recently closed its ninth flagship fund at \$15.3 billion, citing strong demand. The fund focuses on aerospace and defense, national security and government services.

[Pension Risk Reporting Among States: An Update](#)

By Stephanie Connolly, Pew Foundation, March 26, 2026

Public pension risk reports provide a quantitative assessment of the potential effects of investment risk and economic uncertainty on plan balance sheets and the costs required to predictably and sustainably fund retirement system obligations. They are a critical tool for plan fiduciaries, governmental sponsors, and other pension stakeholders to help evaluate the fiscal health of state pension plans, and more than half of states throughout the country use them. Now three states—Maryland, Vermont, and New Mexico—have become the latest to begin publishing such reports. With the implementation and improvement of pension risk reporting practices in these three states, retirement systems in 28 states now produce such assessments on an ongoing basis. **Florida: Stress Testing None identified.** As states continue to adopt routine

and transparent pension risk reporting, it's critical that these assessments include policy-relevant analyses to help plan sponsors navigate uncertainty and ensure fiscal sustainability. The stress tests and risk assessments that Maryland, Vermont, and New Mexico recently implemented demonstrate how risk reporting can produce analyses tailored to policy questions that are most relevant to each state and plan.

[Third pension fund takes performance-related action against small-cap manager](#)

By Rob Kozlowski, P&I, March 27, 2026

Chicago Municipal Employees' Annuity & Benefit Fund is the third pension fund in recent months to take action against Kayne Anderson Rudnick Investment Management, reflecting the continuing challenging environment for active equity managers/ The \$5.3 billion pension fund's board voted to place the manager on watch due to underperformance related to its \$88 million active international small-cap core equity portfolio and \$85 million active domestic small-cap value equity portfolio, recently. MEABF is the third pension fund in recent months to take action against the manager. In November, the \$1.7 billion Chicago Metropolitan Water Reclamation District Retirement Fund placed the manager on watch, citing performance concerns with a \$40 million active domestic small-cap core equity portfolio; and in February, the \$762 million **Fort Lauderdale (Fla.) General Employees Retirement System** terminated the manager, citing performance concerns with its \$25 million active domestic small-cap growth equity portfolio.

[Trouble Paying the Bills?](#)

By Russ Kamp, CEO, Ryan ALM, Inc., March 31, 2026

"The worst thing that can happen," Andrew Junkin, CIO, Virginia Retirement System says, "is that you're a forced seller in any market." That quote appeared in a Chief Investment Officer article from March 4, 2026. We couldn't agree more with Mr. Junkin. Despite improved funding, public funds are being challenged to find adequate cash flow to meet the monthly benefits and expenses. Two factors are at play: 1) improved funding leads to lower annual contributions, and 2) much heavier allocations to alternatives have dried up liquidity, as expected capital distributions fail to materialize. According to a report by NIRS, from 2001 to 2023, public pension plans shifted roughly 20% of public equity and fixed income into alternatives such as private equity, real estate, and private credit. These are illiquid investments. Despite the "wisdom" of the pension crowd, illiquidity is a RISK and not an alpha generator. As more assets shifted into these illiquid investments, the trades became ever more crowded reducing liquidity further. That is, unless one was willing to take a significant haircut through the secondary markets.