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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/03/2015	.	
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The Committee on Community Affairs (Brandes) recommended the following:

**Senate Amendment (with title amendment)**

Before line 28

insert:

Section 1. Subsection (1) of section 112.63, Florida Statutes, is amended to read:

112.63 Actuarial reports and statements of actuarial impact; review.—

(1) Each retirement system or plan subject to the provisions of this act shall have regularly scheduled actuarial



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11 reports prepared and certified by an enrolled actuary. The  
12 actuarial report shall consist of, but need shall not be limited  
13 to, ~~the following~~:

14 (a) Adequacy of employer and employee contribution rates in  
15 meeting levels of employee benefits provided in the system and  
16 changes, if any, needed in such rates to achieve or preserve a  
17 level of funding deemed adequate to enable payment through the  
18 indefinite future of the benefit amounts prescribed by the  
19 system, which shall include a valuation of present assets, based  
20 on statement value, and prospective assets and liabilities of  
21 the system and the extent of unfunded accrued liabilities, if  
22 any.

23 (b) A plan to amortize any unfunded liability pursuant to  
24 s. 112.64 and a description of actions taken to reduce the  
25 unfunded liability.

26 (c) A description and explanation of actuarial assumptions.

27 (d) A schedule illustrating the amortization of unfunded  
28 liabilities, if any.

29 (e) A comparative review illustrating the actual salary  
30 increases granted and the rate of investment return realized  
31 over the 3-year period preceding the actuarial report with the  
32 assumptions used in both the preceding and current actuarial  
33 reports.

34 (f) Mortality tables that use mortality methodology  
35 consistent with the most recently published actuarial valuation  
36 report of the Florida Retirement System.

37 (g) ~~(f)~~ A statement by the enrolled actuary that the report  
38 is complete and accurate and that in his or her opinion the  
39 techniques and assumptions used are reasonable and meet the



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40 requirements and intent of this act.

41  
42 The actuarial cost methods utilized for establishing the amount  
43 of the annual actuarial normal cost to support the promised  
44 benefits shall only be those methods approved in the Employee  
45 Retirement Income Security Act of 1974 and as permitted under  
46 regulations prescribed by the Secretary of the Treasury.

47 Section 2. Subsection (1) of section 112.664, Florida  
48 Statutes, is amended to read:

49 112.664 Reporting standards for defined benefit retirement  
50 plans or systems.—

51 (1) In addition to the other reporting requirements of this  
52 part, within 60 days after receipt of the certified actuarial  
53 report submitted after the close of the plan year that ends on  
54 or after June 30, 2014, and thereafter in each year required  
55 under s. 112.63(2), each defined benefit retirement system or  
56 plan, excluding the Florida Retirement System, shall prepare and  
57 electronically report the following information to the  
58 Department of Management Services in a format prescribed by the  
59 department:

60 (a) Annual financial statements that comply ~~are in~~  
61 ~~compliance~~ with the requirements of the Governmental Accounting  
62 Standards Government Accounting and Standard Board's Statement  
63 No. 67, titled "Financial Reporting for Pension Plans," and  
64 Statement No. 68, titled "Accounting and Financial Reporting for  
65 Pensions," using mortality tables that use mortality methodology  
66 consistent with the most recently published actuarial valuation  
67 report of the Florida Retirement System RP-2000 Combined Healthy  
68 Participant Mortality Tables, by gender, with generational



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69 ~~projection by Scale AA.~~

70 (b) Annual financial statements similar to those required  
71 under paragraph (a), but which use an assumed rate of return on  
72 investments and an assumed discount rate that are equal to 200  
73 basis points less than the plan's assumed rate of return.

74 (c) Information indicating the number of months or years  
75 for which the current market value of assets are adequate to  
76 sustain the payment of expected retirement benefits as  
77 determined in the plan's latest valuation and under the  
78 financial statements prepared pursuant to paragraphs (a) and  
79 (b).

80 (d) Information indicating the recommended contributions to  
81 the plan based on the plan's latest valuation, and the  
82 contributions necessary to fund the plan based on financial  
83 statements prepared pursuant to paragraphs (a) and (b), stated  
84 as an annual dollar value and a percentage of valuation payroll.

85

86 ===== T I T L E A M E N D M E N T =====

87 And the title is amended as follows:

88 Delete line 3

89 and insert:

90 programs; amending s. 112.63, F.S.; requiring that  
91 actuarial reports for certain retirement systems or  
92 plans include mortality tables; amending s. 112.664,  
93 F.S.; revising information to be included in the  
94 annual report of a defined benefit system or plan to  
95 the Department of Management Services; amending s.  
96 175.041, F.S.; revising