

FLORIDA

House Bill 5007

Florida has made changes to retirement plan provisions for the Florida Retirement System (FRS) Investment Plan, as presented in House Bill 5007, adopted on March 14, 2022. The stated intent of the legislation is to increase the benefits provided to public employees.<sup>1</sup> Equable Institute has analyzed the proposed changes using [Retirement Security Report](#) methodology, and we report here how these changes to retirement benefits would influence current and/or future FRS plan members.

RETIREMENT BENEFIT SCORE	
PRIOR PLAN <sup>2</sup>	ADOPTED CHANGES <sup>3</sup>
56.0% of available points	73.7% of available points

EQUABLE'S ASSESSMENT	
PRIOR PLAN	ADOPTED CHANGES
Serves All Members Moderately Well	Serves All Members Moderately Well

KEY POLICY CHANGES

- All members of the Florida Retirement System defined contribution plan will receive a 3% of payroll increase in employer contributions.
- The changes increase employer contributions from 3.3% to 6.3% of payroll, and the increase will be provided as of July 1, 2022.
- There are also changes to allow certain law enforcement officers to participate 36-months longer in a Deferred Retirement Option Program.

WHAT HOUSE BILL 5007 MEANS FOR FRS "REGULAR CLASS" WORKERS

Members of the FRS Investment Plan, a defined contribution plan, will be getting a meaningful boost to their benefits. The previous employer contribution rate combined with a 3% member rate was entirely insufficient to put members on a path to retirement income security. The new total contribution rate is still below recommended levels but is closer.

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN<sup>4</sup>

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> Status Quo Score	73.7% Prior Plan: 56.0%	66.5% Prior Plan: 56.7%	63.0% Prior Plan: 49.1%	91.8% Prior Plan: 62.2%
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	66.6% of points Prior Plan: 45.1%	50.8% of points Prior Plan: 34.4% Earnings Change: +\$945/yr	57.3% of points Prior Plan: 38.8% Earnings Change: +\$2,396/yr	91.8% of points Prior Plan: 62.2% Earnings Change: +\$6,120/yr
<b>COLA &amp; INFLATION PROTECTION<sup>5</sup></b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY</b>	80.0% of points Prior Plan: 80.0%	80.0% of points Prior Plan: 80.0%	80.0% of points Prior Plan: 80.0%	N/A

*This table shows the proposed plan's total Benefit Scores, e.g., the percentage of available points for a given category. We also show how proposed changes would improve or decrease the Benefits Score of the prior plan (the "score change"). And we show what the material effect would be on an average employee's annual retirement earnings, using salary assumptions used by FRS trustees.*

A full scorecard for the prior plan is available in the Retirement Security Report Index at [www.RetirementSecurityReport](http://www.RetirementSecurityReport).

For a breakdown of score changes by worker class, including for employees classified as elected officials and hazardous members, please visit <https://equable.org/oklahoma-house-bill-2486-retirement-security-policy-scores/>.

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## House Bill 5007

## EQUABLE INSTITUTE'S ANALYSIS

The retirement benefit increases adopted via HB5007 will substantially improve income security for FRS Investment Plan members. The

- **Short-Term Workers** will have a defined contribution plan that works much better for them (66.5% of available Retirement Benefits Score points versus 56.7%), though even the improved plan is still only working moderately well.
- **Medium-Term Workers** will also benefit from the increased contributions, though even accounting for the changes the FRS defined contribution plan is only getting 63% of available points for this cohort of workers.
- **Those Regular Class members** who work a full career covered by FRS will benefit the most from the changes, with the enhanced benefits moving them into the “works well for members” assessment given the 91.8% of available points scored.

Increasing the total contributions for the FRS Investment plan from 6.3% (3% member and 3.3% employer) to 9.3% of salary is a big improvement. Enhancing the overall benefits package by nearly a third will mean many more teachers, Florida state workers, and municipal employees across the state will be on a path to retirement income security.

However, the changes did not entirely fix the moderate performance of this retirement plan for Short-Term and Medium-Term workers. Defined contribution plans like this one offered by FRS should have at least 10% to 12% of salary total contributions — which means even the adjusted change is falling short.

Individual plan members can make up the difference with additional voluntary contributions, but they may not be aware of the need to do this on their own without some change to the default amount they contribute.

For further Retirement Security Policy Score analysis visit <https://equable.org/category/rsr-policy-scores/>.

## FOOTNOTES: 1 - 6

To read more about the methodology behind our scoring system, please reference the notes section in our extended analysis of the legislation at: <https://equable.org/florida-house-bill-5007>

## ABOUT THESE SCORES

These scores are based on a 25-year-old entrant with average starting salary for members of the plan. It is not intended to comprehensively measure every aspect of a retirement plan, but instead to measure the factors that are most important for measuring retirement income adequacy. It is reasonable to compare plan changes against the status quo, but the most fundamental question is whether any retirement plan (the existing benefits or proposed adjusted benefits) is providing retirement income security to all members of the plan. These scores are based on a comparison against a standard benchmark for retirement income adequacy, but there are other reasonable benchmarks too.

## ABOUT EQUABLE INSTITUTE

Equable Institute is a bipartisan non-profit that works with public retirement system stakeholders to solve complex pension funding challenges with data-driven solutions. We exist to support public sector workers in understanding how their retirement systems can be improved, and to help state and local governments find ways to both fix threats to municipal finance stability and ensure the retirement security of all public servants.

## FLORIDA RETIREMENT SYSTEM

## 2021 AT A GLANCE

SUSTAINABILITY SCORE<sup>6</sup>

## FOR CURRENT INVESTMENT PLAN

Not applicable (DC Plan)

## EQUABLE'S ASSESSMENT

## FOR FRS PENSION PLANS

Likely Fragile

FUNDED RATIO:	96.4%
TOTAL PROMISED BENEFITS:	\$209.6 billion
UNFUNDED LIABILITIES:	\$7.6 billion
FUNDING SHORTFALL AS A % OF STATE GDP:	0.7%
ASSUMED RATE OF RETURN:	6.8%
YEARS UNTIL ASSET SHORTFALL IS PAID OFF:	7
# YEARS ANNUAL BILL FULLY PAID:	8/10 years
#YEARS PLAN EARNED THE ASSUMED RETURN:	6/10 years
SOCIAL SECURITY	Yes
FY 2023 EMPLOYER CONTRIBUTION RATE:	6.3% DC Regular 7.48% DB
FY 2023 MEMBER CONTRIBUTION RATE:	3.0% DC 3.0% DB
RISK-SHARING TOOLS:	No

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## House Bill 5007 — Investment Plan Scores

## COMPLETE BENEFIT SCORES FOR ADOPTED PLAN — REGULAR CLASS

Retirement Income Adequacy Score Goal = 100%

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	37.4% of Points	8.9% of Points	20.2% of Points	83.3% of Points
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	66.6% of points Prior Plan: 45.1%	50.8% of points Prior Plan: 34.4% Earnings Change: +\$945/yr	57.3% of points Prior Plan: 38.8% Earnings Change: +\$2,396/yr	91.8% of points Prior Plan: 62.2% Earnings Change: +\$6,120/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

## WHAT ARE THESE METRICS?

**ELIGIBILITY: VESTING** – Retirement plan members want to know when they will be vested into their benefits. There is no formal set of vesting rule guidelines for state retirement systems but there is for private sector plans. We use the federal standards for private sector retirement plans (known as ERISA), which specify that employees should be 100% vested after five years of service (though private plans could use a shorter period).

**INCOME ADEQUACY: BENEFIT VALUE** – Retirement plan members want to be on a path to an adequate retirement benefit. One way to assess the adequacy of benefits of a plan is to compare the value of what a plan member has earned against an adequacy target. The target used in our analysis is a 70% income replacement rate at age 67.

**COLA POLICY** – Inflation adjustment of benefits is important for retirement income to actually provide security in the long-run. We grade plans on whether or not they have a policy for providing cost-of-living adjustments, and what the rules are for providing that COLA.

**FLEXIBILITY & MOBILITY: REFUNDING POLICY** – In most retirement systems if a plan member chooses to withdraw before reaching normal retirement, they are entitled to a refund of their own contributions. Often those contributions are supplemented with some amount of interest at a rate most frequently designated by the plan's retirement board. In a few cases, the refund will may also include a portion of the contributions made by the employer toward the employee's retirement benefit. Further, in some cases the level of refund can vary according to the vesting status of the member when they leave the system. Finally, some designs provide individuals all of the employer contributions and investment returns on those contributions even if they leave the plan after vesting.

**FLEXIBILITY & MOBILITY: CREDITING INTEREST RATE** – The interest rate offered by a retirement system on refunded contributions in the event of a withdrawal are another key factor in determining the mobility of a plan's benefits. If the interest rate is generous, then it will ensure that the employee will at least depart the system with some moderate savings (which could then help them continue saving for retirement). However, if the system does not offer interest or offers a low interest rate, then the member will leave with minimal savings and it will be much harder to reach a secure retirement.

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SCORE BREAKDOWN BY ENTRY AGE — REGULAR CLASS K-12 TEACHERS MEMBERS

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN  
FOR A 25-YEAR-OLD ENTRANT

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	74.0% of points Prior Plan: 56.2%	63.4% of points Prior Plan: 54.6%	58.6% of points Prior Plan: 46.2%	83.5% of points Prior Plan: 56.6%
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	65.7% of points Prior Plan: 44.5%	45.7% of points Prior Plan: 30.9% Earnings Change: +\$867/yr	51.5% of points Prior Plan: 34.9% Earnings Change: +\$2,197/yr	100.0% of points Prior Plan: 67.8% Earnings Change: +\$8,070/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN  
FOR A 40-YEAR-OLD ENTRANT

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	73.5% of points Prior Plan: 55.8%	69.6% of points Prior Plan: 58.7%	67.3% of points Prior Plan: 52.0%	83.5% of points Prior Plan: 56.6%
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	67.5% of points Prior Plan: 45.7%	56.0% of points Prior Plan: 37.9% Earnings Change: +\$1,024/yr	63.1% of points Prior Plan: 42.7% Earnings Change: +\$2,595/yr	83.5% of points Prior Plan: 56.6% Earnings Change: +\$4,171/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

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SCORE BREAKDOWN BY ENTRY AGE — REGULAR CLASS NON-K-12 MEMBERS

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN  
FOR A 25-YEAR-OLD ENTRANT

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	75.4% of points Prior Plan: 60.2%	64.9% of points Prior Plan: 55.5%	61.2% of points Prior Plan: 47.9%	86.9% of points Prior Plan: 58.9%
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	67.7% of points Prior Plan: 49.0%	48.1% of points Prior Plan: 32.6% Earnings Change: +\$813/yr	55.0% of points Prior Plan: 37.2% Earnings Change: +\$2,098/yr	100.0% of points Prior Plan: 77.1% Earnings Change: +\$8,118/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN  
FOR A 40-YEAR-OLD ENTRANT

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	74.7% of points Prior Plan: 56.7%	69.5% of points Prior Plan: 58.7%	67.8% of points Prior Plan: 52.4%	86.9% of points Prior Plan: 58.9%
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	68.8% of points Prior Plan: 46.6%	55.8% of points Prior Plan: 37.8% Earnings Change: +\$916/yr	63.8% of points Prior Plan: 43.2% Earnings Change: +\$2,362/yr	86.9% of points Prior Plan: 58.9% Earnings Change: +\$3,870/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

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SCORE BREAKDOWN BY ENTRY AGE — SPECIAL RISK CLASS MEMBERS

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN  
FOR A 25-YEAR-OLD ENTRANT

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	81.9% of points Prior Plan: 76.6%	72.3% of points Prior Plan: 65.9%	73.4% of points Prior Plan: 64.0%	100.0% of points Prior Plan: 100.0%
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	83.9% of points Prior Plan: 76.1%	60.5% of points Prior Plan: 49.8% Earnings Change: +\$1,169/yr	71.2% of points Prior Plan: 58.6% Earnings Change: +\$3,114/yr	100.0% of points Prior Plan: 100.0% Earnings Change: +\$12,994/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN  
FOR A 40-YEAR-OLD ENTRANT

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	94.1% of points Prior Plan: 86.8%	87.3% of points Prior Plan: 78.3%	95.0% of points Prior Plan: 82.2%	100.0% of points Prior Plan: 100.0%
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	100.0% of points Prior Plan: 84.5%	85.6% of points Prior Plan: 70.5% Earnings Change: +\$1,281/yr	100.0% of points Prior Plan: 82.9% Earnings Change: +\$3,415/yr	100.0% of points Prior Plan: 100.0% Earnings Change: +\$5,715/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

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SCORE BREAKDOWN BY ENTRY AGE — ELECTED OFFICERS' CLASS JUDGES MEMBERS

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN  
FOR A 25-YEAR-OLD ENTRANT

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	97.0% of points Prior Plan: 90.4%	96.0% of points Prior Plan: 85.1%	95.0% of points Prior Plan: 86.2%	100.0% of points Prior Plan: 100.0%
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	100.0% of points Prior Plan: 96.7%	100.0% of points Prior Plan: 81.8% Earnings Change: +\$3,670/yr	100.0% of points Prior Plan: 88.2% Earnings Change: +\$9,087/yr	100.0% of points Prior Plan: 100.0% Earnings Change: +\$33,746/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN  
FOR A 40-YEAR-OLD ENTRANT

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	97.0% of points Prior Plan: 96.2%	96.0% of points Prior Plan: 93.6%	95.0% of points Prior Plan: 95.0%	100.0% of points Prior Plan: 100.0%
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	100.0% of points Prior Plan: 98.7%	100.0% of points Prior Plan: 96.0% Earnings Change: +\$3,610/yr	100.0% of points Prior Plan: 100.0% Earnings Change: +\$8,939/yr	100.0% of points Prior Plan: 100.0% Earnings Change: +\$14,355/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

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SCORE BREAKDOWN BY ENTRY AGE — ELECTED OFFICERS’ CLASS STATE MEMBERS

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN  
FOR A 25-YEAR-OLD ENTRANT

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	94.2% of points Prior Plan: 84.0%	90.5% of points Prior Plan: 77.3%	92.1% of points Prior Plan: 74.6%	100.0% of points Prior Plan: 100.0%
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	100.0% of points Prior Plan: 87.2%	90.9% of points Prior Plan: 68.9% Earnings Change: +\$757/yr	96.1% of points Prior Plan: 72.8% Earnings Change: +\$1,841/yr	100.0% of points Prior Plan: 100.0% Earnings Change: +\$6,617/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN  
FOR A 40-YEAR-OLD ENTRANT

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	97.0% of points Prior Plan: 87.2%	96.0% of points Prior Plan: 81.4%	95.0% of points Prior Plan: 80.0%	100.0% of points Prior Plan: 100.0%
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	100.0% of points Prior Plan: 85.2%	100.0% of points Prior Plan: 75.7% Earnings Change: +\$857/yr	100.0% of points Prior Plan: 80.0% Earnings Change: +\$2,084/yr	100.0% of points Prior Plan: 100.0% Earnings Change: +\$3,308/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

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SCORE BREAKDOWN BY ENTRY AGE — ELECTED OFFICERS' CLASS COUNTY & LOCAL MEMBERS

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN  
FOR A 25-YEAR-OLD ENTRANT

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	93.6% of points Prior Plan: 84.9%	89.2% of points Prior Plan: 78.1%	91.7% of points Prior Plan: 76.7%	100.0% of points Prior Plan: 100.0%
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	100.0% of points Prior Plan: 88.6%	88.7% of points Prior Plan: 70.1% Earnings Change: +\$389/yr	95.6% of points Prior Plan: 75.6% Earnings Change: +\$962/yr	100.0% of points Prior Plan: 100.0% Earnings Change: +\$3,573/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN  
FOR A 40-YEAR-OLD ENTRANT

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	97.0% of points Prior Plan: 90.6%	96.0% of points Prior Plan: 85.4%	95.0% of points Prior Plan: 86.6%	100.0% of points Prior Plan: 100.0%
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	100.0% of points Prior Plan: 90.3%	100.0% of points Prior Plan: 82.3% Earnings Change: +\$692/yr	100.0% of points Prior Plan: 88.8% Earnings Change: +\$1,714/yr	100.0% of points Prior Plan: 100.0% Earnings Change: +\$2,752/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

FLORIDA

House Bill 5007 — Investment Plan Scores

SCORE BREAKDOWN BY ENTRY AGE — SENIOR MANAGEMENT CLASS MEMBERS

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN  
FOR A 25-YEAR-OLD ENTRANT

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	74.5% of points Prior Plan: 62.6%	63.1% of points Prior Plan: 55.5%	60.4% of points Prior Plan: 49.0%	95.6% of points Prior Plan: 68.7%
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	66.4% of points Prior Plan: 51.5%	45.2% of points Prior Plan: 32.5% Earnings Change: +\$1,297/yr	53.9% of points Prior Plan: 38.7% Earnings Change: +\$3,426/yr	100.0% of points Prior Plan: 83.3% Earnings Change: +\$13,670/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN  
FOR A 40-YEAR-OLD ENTRANT

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	79.3% of points Prior Plan: 62.3%	70.7% of points Prior Plan: 60.9%	71.7% of points Prior Plan: 57.2%	95.6% of points Prior Plan: 68.7%
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	74.1% of points Prior Plan: 53.3%	57.8% of points Prior Plan: 41.6% Earnings Change: +\$1,792/yr	68.9% of points Prior Plan: 49.5% Earnings Change: +\$4,734/yr	95.6% of points Prior Plan: 68.7% Earnings Change: +\$7,824/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

FLORIDA

House Bill 5007 — Investment Plan Scores

SCORE BREAKDOWN BY ENTRY AGE — SPECIAL RISK ADMINISTRATIVE CLASS MEMBERS

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN  
FOR A 25-YEAR-OLD ENTRANT

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	81.6% of points Prior Plan: 73.1%	73.6% of points Prior Plan: 63.3%	71.2% of points Prior Plan: 57.2%	100.0% of points Prior Plan: 79.4%
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	83.7% of points Prior Plan: 64.6%	62.7% of points Prior Plan: 45.5% Earnings Change: +\$858/yr	68.3% of points Prior Plan: 49.6% Earnings Change: +\$2,141/yr	100.0% of points Prior Plan: 98.7% Earnings Change: +\$8,072/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

PERCENTAGE OF BENEFITS POINTS SCORED BY ADOPTED PLAN VS PRIOR PLAN  
FOR A 40-YEAR-OLD ENTRANT

	AVERAGE FOR ALL WORKERS	SHORT TERM WORKERS <10 Years of service	MEDIUM TERM 10-20 years of service	FULL CAREER >20 years of service
<b>TOTAL HB5007 SCORE</b> (6 to 6 Factors)	87.8% of points Prior Plan: 71.1%	81.5% of points Prior Plan: 69.0%	81.9% of points Prior Plan: 64.9%	100.0% of points Prior Plan: 79.4%
<b>VESTING</b>	100.0% Prior Plan: 100.0%	100.0% Prior Plan: 100.0%	N/A	N/A
<b>BENEFIT VALUE v. INCOME ADEQUACY TARGET</b>	86.1% of points Prior Plan: 64.8%	75.8% of points Prior Plan: 55.0% Earnings Change: +\$943/yr	82.5% of points Prior Plan: 59.9% Earnings Change: +\$2,355/yr	100.0% of points Prior Plan: 79.4% Earnings Change: +\$3,802/yr
<b>COLA POLICY</b>	N/A Prior Plan: N/A	N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A
<b>FLEXIBILITY &amp; MOBILITY: REFUNDING POLICY</b>	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	80.0% Prior Plan: 80.0%	N/A
<b>FLEXIBILITY &amp; MOBILITY: CREDITING INTEREST RATE</b>	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A Prior Plan: N/A	N/A

## FLORIDA

# House Bill 5007

### FOOTNOTES

1. [Conference report for HB 5007](#) to the House Speaker and Senate President, from *Managers on the part of the House of Representatives and Conferees on the part of the Senate*, March 10, 2022.
2. This is the average score for the plan based on a 25-year-old entrant, averaging across all classes within the retirement system, averaging across all worker types (Short-Term, Medium-Term, and Full Career). We consider only the classes within this plan that would be influenced by the legislation.
3. As described in "[Enrolled, HB 5007, Engrossed 1 2022 Legislature](#)," adopted by the Florida House of Representatives and Florida Senate.
4. The RSR's Benefit Scores consider a range of factors including eligibility, income adequacy, inflation protection, mobility, and more. Defined benefit pension plans are scored on 10 factors; defined contribution plans are scored on 6 factors. To ensure appropriate comparison between such plans we report the percentage of available points scored across these factors. For a complete list of factors that are used to measure different kinds of retirement plans visit [RetirementSecurity.Report](#) and read the methodology.
5. The Florida Retirement System no longer offers cost-of-living adjustments to protect against inflation within its defined benefit plan and never had built in tools to allow for inflation protection within its defined contribution (DC) plan. One approach to allowing DC plan members, like those in the FRS Investment Plan, to hedge against inflation is to provide access to annuities within the DC plan's investment options — as opposed to having members track down third-party products that likely won't be competitively priced or benefit from the scale that a large DC plan like FRS Investment Plan could leverage.
6. The RSR's Sustainability scores are an abridged assessment of the financial condition of a retirement system based on investment performance relative to assumptions, the historic consistency of state legislatures ensuring actuarially determined contributions are paid, the existence of risk-sharing tools, and whether the amortization period is projecting full funding in a reasonable period. For complete background on why we use these select factors visit [RetirementSecurity.Report](#) and read the methodology.