

From: Keane, John
Sent: Friday, May 01, 2015 10:05 AM
To: Manning, Deborah
Subject: FW: Implementation of Chapter 60T-1.0035, Florida Administrative Code

Board Agenda item

From: DivisionOfRetirement@rol.frs.state.fl.us [mailto:DivisionOfRetirement@rol.frs.state.fl.us]
Sent: Thursday, April 30, 2015 8:11 AM
To: Keane, John
Subject: Implementation of Chapter 60T-1.0035, Florida Administrative Code

TO: Addressee

FROM: Keith Brinkman, Bureau Chief
Bureau of Local Retirement Systems

DATE: April 30, 2015

RE: Rules Implementing Chapter 60T-1.0035, Florida Administrative Code
Additional Actuarial Disclosures required under section 112.664, F.S.

In 2013, the Legislature amended Part VII of Chapter 112, Florida Statutes, to require certain additional actuarial disclosures from all local government pension plans, using prescribed assumptions and methods. The Department of Management Services has been working to promulgate rules implementing this statutory requirement, including holding two rules workshops and a hearing to encourage public feedback to the draft and proposed rules. The department carefully considered the written and verbal comments received during the rule-making process and many of the suggestions were incorporated into the final rule, contained in Chapter 60T-1.0035, Florida Administrative Code, which went into effect on Apr. 29, 2015. A copy of the final rule may be accessed online at the Department of States website, www.flrules.org, or [here](#).

Section 112.664, Florida Statutes, requires that, "In addition to the other reporting requirements of this part, within 60 days after receipt of the certified actuarial report submitted after the close of the plan year that ends on or after Jun. 30, 2014, and thereafter in each year required under s. 112.63(2), each defined benefit retirement system or plan, excluding the Florida Retirement System, shall prepare and electronically report the following information to the Department of Management Services in a format prescribed by the department..." This required information includes:

- annual financial statements that are in compliance with Governmental Accounting Standards Board Statement Nos. 67 & 68, using a prescribed mortality table and interest assumption rate;
- information indicating the number of months or years that the plan's current market value of assets can sustain payment of expected retirement benefits under the current valuation and prescribed assumptions; and
- information indicating the recommended contributions to the plan as a dollar amount and percentage

of payroll, under the current valuation and prescribed assumptions.

The section also requires that each plan present this information on its website, along with links to recent financial statements and valuations, and a five-year history of investment returns compared to assumptions and investment portfolio asset allocations. The section defines non-compliance and describes the potential ramifications.

Chapter 60T-1.0035, Florida Administrative Code, provides the required format of the electronic data submissions to comply with this statutory provision and the Department of Management Services has already communicated instructions to the plan actuaries on how to use the online portal by which the submissions will be made. The data files must be submitted in a semi-colon delimited format, using the template specified in the rule. All submissions must include a pdf file of the annual financial statements in their entirety, and be certified by the submitting actuary for compliance. Please be sure to contact your plan actuary to ensure that all the required file submissions are timely made.

The additional actuarial disclosures are required to be made within 60 days of the board of trustees' approval of the certified actuarial valuation for plan years ending on or after Jun. 30, 2014. For plans that have already approved actuarial valuations since Jun. 30, 2014, and before Apr. 29, 2015, (the effective date of the rule), the disclosures must be submitted to the department within 60 days of Apr. 29, 2015. If the 60th day falls on a weekend, then the submission deadline will be the following business day.

If you have any questions about the requirements of the rule, please contact my office at 850-488-2784, or via email at local_ret@dms.myflorida.com.