



MEMORANDUM

To: All Florida Pension Clients
From: Klausner Kaufman Jensen & Levinson
Re: Reminder of pending deadlines
Date: July 8, 2015

The purpose of this update is to remind all Florida defined benefit pension plans of the pending deadlines to comply with recent legislation, including SB 534 (otherwise known as “Chapter 2013-100”). Additional requirements for police and firefighter pension plans were adopted by SB 172.

By way of background, SB 534 created Section 112.664, Florida Statutes, which contains extensive new reporting requirements. The regulations implementing SB 534 were finalized by the Division of Retirement on April 29, 2015 when Chapter 60T-1.0035, Florida Administrative Code, went into effect.

As a result, the following requirements apply to all Florida governmental defined benefit plans:

- **112.664 Compliance Report** (otherwise known as the “Rule 60T-1.0035 Report”) indicating number of years that the plan’s current market value of assets can sustain payment of retirement benefits without additional contributions, along with other required data:

Prepared by: Actuary (who will load the Report onto the Division of Retirement’s website);
Due: 60 days after approval of actuarial valuation, or June 29 (for plans who approved their valuations prior to April 29) and annually thereafter;
Post: on plan sponsor website and plan’s website;
Required by: Section 112.664(1)(a)-(d).

- **Investment history** - Side-by-Side comparison of actual rate of return, assumed rate of return, and investment portfolio composition (cash, equity, bond, alternative investments) beginning with 2013 data:

Prepared by: Investment consultant;
 Due: Annually;
 Post: on plan sponsor website and plan's website;
 Required by: Section 112.664(2)(b)(2).

- **Actuarial valuation** (otherwise known as “actuarial report”):

Prepared by: Actuary;
 Due: At least every three years (most plans perform annual valuations);
 Post: on plan sponsor website and plan's website;
 Required by: Section 112.63(2) and 112.664(2)(b)1.

- **Audited financial statements** (otherwise known as “audit”):

Prepared by: Auditor;
 Due: Annually for police and fire plans;
 Post: on plan sponsor website and plan's website;
 Required by: Section 112.664(2)(b)1.

- **Link to Division of Retirement's Summary Fact Sheet:**

Prepared by: Division of Retirement;
 Due: Updated annually by Division of Retirement;
 Post: on plan sponsor website and plan's website;
 Required by: Section 112.664(2)(b)1 & 112.665(1)(e).

Additional requirements for Police and Fire Plans under SB 172:

- **“Detailed Accounting Report”:** Our office recommends treating the audited financial statements described above as the new detailed accounting report. We also recommend amending your summary plan description to provide that the detailed accounting report and administrative expense budget are available upon request from the Administrator.

- **“Administrative Expense Budget”:**

Prepared by: Administrator;
 Due: Prior to beginning of the fiscal year (prior to October 1 for most plans);
 Post: Not required to be posted, but required to be “made available” to the plan sponsor and plan membership;
 Required by: Section 175.061(8)(a)1 and 185.05(8)(a)2.

Summary

All Florida governmental defined benefit plans are reminded of the new reporting compliance deadlines under SB 534, which are codified in Section 112.664, Florida Statutes, and Chapter 60T-1.0035, Florida Administrative Code. In particular, your 112.664 Compliance Report is due 60 days after approval of this year's actuarial valuation (or was due on June 29 for plans who approved their valuations prior to April 29). Our office is available to answer any questions.