FLORIDA PUBLIC PENSION TRUSTEES ASSOCIATION

PENSION NEWS CLIPS JUNE 2018 ON FLORIDA PENSION ISSUES
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Court upholds Jacksonville pension half-cent sales tax

By News4.JAX, June 18, 2018

A state appeals court rejected a challenge to a 2016 ballot measure aimed at addressing an underfunded pension system in Jacksonville. The city's voters approved the measure, which called for a half-cent sales-tax surcharge to help deal with the pension problems. But a group of citizens filed a legal challenge to the measure, including arguing that the ballot title and summary misled voters and that the referendum should be voided, according to the ruling by the 1st District Court of Appeal. A Duval County circuit judge upheld the ballot measure, and a three-judge panel of the appeals court agreed.

Broward teachers want state to divest from gun funds

Lois K. Solomon, Sun Sentinel, June 14, 2018

Broward teachers feel it every time they look at their paychecks: Three percent of their salaries is taken out for their pensions, invested in part in a gun company that builds the rifle that killed students and teachers in one of the county's schools. The Broward Teachers Union knows that its members have no vote on a state board that decides on these investments. But they want Gov. Rick Scott and the board's trustees to demand that all gun manufacturers in their pension fund address the nation's gun violence epidemic. The fund holds shares in American Outdoor Brands Co., which manufactures the AR-15 used by Parkland shooter Nikolas Cruz, as well as gun and ammunition manufacturers Sturm & Ruger Co., Vista Outdoor Inc. and Olin Corp., according to Bloomberg. Some state pension funds have begun divesting from gun manufacturers, including the California Public Employees' Retirement System and the New York State Teachers' Retirement System. Florida has previously divested when the state disagrees with the direction a manufacturer is taking. In 2007, Scott signed legislation divesting the state's funds from companies that work with the government of Sudan and with Iran's energy sector.

Miami Gets Injunction In Spat With Fire, Police Unions

By Carolina Bolado, Law 360, June 6, 2018

A Florida appeals court ruled that the trusts administering the Miami police officer and firefighter retirement plans had jumped the gun after a favorable ruling from the Florida Supreme Court in their long-running dispute with the city by beginning to dole out back pay and benefits before getting a final determination from the requisite state agency. Florida's Third District Court of Appeal reversed a trial court's ruling against the city and ordered a temporary injunction against the City of Miami Firefighters' and Police Officers' Retirement System.

Dividing firefighter and police pensions in Florida divorces

By Daniel Forrest, Lawyers.com, June 2, 2018

The question of pension division is uniquely complicated in Florida when one of the spouses has accumulated financial interests in a pension as a firefighter or police officer. In Florida, publicly funded pensions such as those earned by police officers and firefighters are governed by specific state laws that differ in some key ways from private pensions. If the officer or firefighter works for the state or a county employer, his or her pension is part of the Florida Retirement System. The person may work for a municipal government instead, in which case relevant local laws may also impact the division. State law provides that Florida Retirement System benefits are not "subject to assignment, execution, or attachment or to any legal process whatsoever." Accordingly, Florida cases have held that a court order in divorce that divides future monthly state pension benefits between spouses is not enforceable because Florida law does not allow it. Generally, state, county and local government pensions in Florida are not subject to QDROs or other court orders of division between spouses, so the parties and judges must use other ways to equitably divide pension rights.

Florida Gets High Marks for Handing of State Finances

US News, June 23, 2018

Florida is getting high marks from a major ratings agency for a "sustained" and "robust" recovery from the Great Recession. Moody's Investors Services upgraded the state's bond rating to AAA. That's the highest rating the agency awards and means Florida will pay lower interest payments when it borrows money. Moody's in a release said Florida earned the higher rating because the state's economy and finances have been consistently improving. It also noted the state's low amount of debt and the **health of its pension plan**.

Former officer struggles with PTSD after saving lives at Pulse nightclub

By Jeff Allen, Spectrum 13 News, June 12, 2018

Omar Delgado was one of the first officers who went inside Pulse nightclub after shots rang out, and is credited with saving several people's lives. Two years later, Delgado still struggles with PTSD that he says ultimately cost him his job. Beginning October 1st, a new Florida law expands workers compensation benefits so first responders can get coverage for PTSD. Delgado says he's still waiting on the status of a possible disability pension from Eatonville Police.

Proposal to report on efforts to prevent fake news supported by 36% of Twitter shareholders

By Meaghan Kilroy, Pensions & Investments, June 4, 2018

Although it failed to receive a majority of investor votes, a shareholder proposal calling for Twitter Inc. to report on how it enforces its terms of service to prevent election interference, fake news, hate speech, sexual harassment and violence from being posted to its platform was supported by almost 36% of investors at the company's annual meeting. The proposal was filed by the New York State Common Retirement Fund, Albany, and Arjuna Capital, and supported by the Florida State Board of Administration.

[Why We Need To Keep Politics Out Of Public Pensions]
By Christopher Burnham, Forbes, June 5, 2018

Public pensions are a vital part of American workers' long-term financial health. Whether they are police officers, firefighters, teachers, or the public servants of our states, counties, and cities, they depend on the 6,276 public pensions across the U.S. to safeguard their hard-earned money. Together, these funds are tasked with managing trillions of public workers' retirement savings. Pension trustees have increasingly been pressured to insert political agendas into pension fund management. This has included past efforts to force divestment from companies that produce tobacco products, alcohol, gaming companies, guns, energy companies, and very recently, companies helping the U.S. modernize its nuclear missile fleet. The recent movements underway to insert political agendas into pension fund management highlights that it's more important than ever to separate politics from public retirement fund management. If that doesn't happen, it will be America's public servants - including police officers, firefighters, and teachers - who will pay the price.

Corporate and public DB assets increase, while DC falls in first quarter
By Brian Croce, Pensions&Investments, June 11, 2018

According to the Federal Reserve's Financial Accounts of the United States report — formerly known as the Flow of Funds Accounts — state and local government defined benefit plan assets added $58 billion in the quarter ended March 31 to $5.859 trillion, a 1% increase from the end of the previous quarter. Meanwhile, state and local government defined contribution plan assets totaled $494 billion as of March 31, down 0.8% from Dec. 31. State and local government DB plans' funded status — total defined benefit and other assets minus pension benefit claims — fell in the fourth quarter to $4.203 trillion, down from $4.282 trillion in the previous quarter.

U.S. state reforms not enough to solve pension problem -Fitch
By Laila Kearney, Reuters, June 21, 2018

Recent reforms enacted by U.S. states to reduce their pension burdens do not do enough to ease the growing public employee retirement funding crisis facing many of the governments, Fitch Ratings said in a report. "Fitch believes funding improvement for many major pensions may not materialize any time soon," the credit rating agency said. "Pensions in general still face an uphill climb." That, in part, is because funding discount rates for nearly all major plans remain higher than the 6 percent Fitch finds reasonable, more retirees than ever are drawing down on their plans and a recent economic expansion has not given state revenue a strong enough boost.

Opinion: The next bear market in stocks will spark a retirement crisis
Opinion by Harold Gold, Market Watch, June 28, 2018

A recession could decimate even substantial retirement portfolios, and Social Security and Medicare are facing shortfalls. It also would mean a big hit to state and local government pension funds, which according to Wilshire Consulting had about 65% of their holdings in equities as of 2016. State and local pension funds had around $4 trillion in assets in 2017 and nearly $1.8 trillion in unfunded liabilities. Managers of those funds now count on returns of over 7% a year. A bear market or years of subpar performance would especially squeeze states like Illinois, Kentucky, Connecticut and New Jersey, which have the biggest liabilities. The U.S. government announced that for the first time since 1982, it is tapping into Social Security trust funds to pay current benefits to recipients and it is dipping into Medicare's reserves to cover the costs of that program. The trustees also projected that the trust fund will run out of money by 2034 and that Medicare's fund for paying costly hospital bills will be depleted by 2026.