Teacher Pension Policy in Florida

A report card on the sustainability, flexibility and fairness of state teacher pension systems

Florida’s pension system ratings

Sustainability
Pension system is stable and well–funded.

Flexibility
Pension system is flexible and fair to all teachers.

Neutrality
Retiree benefits to teachers accrue uniformly with each additional year of work.

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Florida’s pension system characteristics

<table>
<thead>
<tr>
<th>Type of plan</th>
<th>Defined benefit (default) or Defined contribution (optional)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unfunded liabilities (percent of system funded)*</td>
<td>$6,543,404,630 (88.5%)</td>
</tr>
<tr>
<td>Vesting period</td>
<td>8 years (DB)/immediate (DC)</td>
</tr>
<tr>
<td>Teacher contribution rate (percent of salary)</td>
<td>3%</td>
</tr>
<tr>
<td>Employer contribution rate (percent of salary)</td>
<td>6.1% (DB)/3.3% (DC)</td>
</tr>
<tr>
<td>Basis for retirement eligibility</td>
<td>Years of service (DB)/Any age (DC)</td>
</tr>
<tr>
<td>Cost of living adjustments</td>
<td>No COLA</td>
</tr>
<tr>
<td>Participation in Social Security</td>
<td>Yes</td>
</tr>
<tr>
<td>Contributions teachers may withdraw from plans if they leave after 5 years (DB)</td>
<td>Own, without interest</td>
</tr>
<tr>
<td>Policy for purchasing time for prior teaching or approved leave</td>
<td>Limited</td>
</tr>
<tr>
<td>Cost per teacher of allowing retirement before age 65 (DB)</td>
<td>$508,364</td>
</tr>
</tbody>
</table>

* For states in which teachers are part of a larger public employee system, the liabilities were adjusted to reflect an estimate of the percentage of teachers in the system.

For more information about Florida and other states’ teacher retirement policies, including full narrative analyses, recommendations and state responses, see www.nctq.org/statePolicy
Teacher pension trends in the U.S.

Just seven states offer a fully or nearly fully portable primary pension plan for teachers.

Teacher pension system debt has reached a half trillion dollars.

Other indicators also reflect worrisome trends.

Number of states where pension funding ratios have decreased since 2008

Number of states that require excessive contributions of teachers, employers or both

Number of states that have increased teacher contribution rates since 2008

Number of states that have ten-year teacher vesting periods