

FLORIDA POTENTIAL RETIREES PLAY NUMBERS GAME: No bad thing lasts forever, so it's nice to see that the State of Florida actually expects its employees will get pay raises again some day. But not, according to tallahassee.com, next year. And not as much as had been predicted in previous forecasts by the Florida Retirement System. The state recently sent annual statements and its fall bulletin to FRS pension plan members, summarizing changes in pension laws and making projections of what they have to look forward to -- or dread -- depending how well each employee is fixed for Social Security and private retirement preparations. Routinely, year after year, pension projections had been made with an assumption of 3-percent raises. If you work for the state, you might have noticed your salary has not been going up 3 percent in recent years. In fact, you've undoubtedly noticed that it hasn't gone up at all. But there are other factors that affect an employee's "average final compensation," the five-year figure on which pensions are computed. Even without pay raises, you can get promotions or move to a higher-paying job, or see your average go down, due to layoffs or having to take a lower-paying job. Even without raises, however, your average final compensation can increase for pension purposes because each year you work, a lower-paying year drops out of your "high five." It's not the last five, although those are usually the top-paying, it's the high five that count. This year, in an acknowledgment of economic and political reality, FRS lowered its salary-estimating sights for those whose high-five years will mean to the average FRS worker. Employees' pension calculations will assume no raise next year -- a pretty safe bet, considering the state of the budget -- and only a 2-percent raise the following year. Frankly, even 2 percent in an off year sounds optimistic. The opinion piece also contains some interesting statistics:

- Average final compensation for state employees was \$31,414 in fiscal 2007-08 and the average annual pension was \$15,151. (Surprisingly, state employees make up only 21% of FRS.)
- Employees of universities and community colleges had a high-five average of about \$38,000 and average pensions of about \$19,000.
- Counties showed an average pay of \$35,630 and average annual pension of \$16,610.
- School board employees averaged lower than state workers, with \$31,195 average final salaries, but they had higher average pensions, at \$16,238. (On average, they work a little longer.)
- Cities and special districts had an AFC of \$34,736 and average pensions of \$14,634.

For all six categories, average final compensation was \$32,907 and the average pension was \$16,280. (So, state employees lagged the FRS average by \$1,129.)