



# Cavanaugh Macdonald

CONSULTING, LLC

*The experience and dedication you deserve*

July 3, 2008

Ms. Pamela Pharris  
Executive Director  
Georgia Judicial Retirement System  
Two Northside 75, Suite 300  
Atlanta, GA 30318-7778

Dear Ms. Pharris:

Enclosed are 40 bound copies and one unbound copy of the "Georgia Judicial Retirement System Report of the Actuary on the Valuation Prepared as of June 30, 2007".

The valuation indicates that employer contributions at the rate of 3.85% of compensation are sufficient to support the benefits of the System.

Please let us know if there are any questions concerning the report.

Sincerely yours,

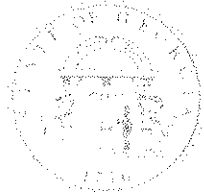
Edward A. Macdonald, ASA, FCA, MAAA  
President

Cathy Turcot  
Managing Director

EAM:kc

Enclosure

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**EMPLOYEES'  
RETIREMENT SYSTEM  
OF GEORGIA**

**GEORGIA JUDICIAL RETIREMENT SYSTEM**

**REPORT OF THE ACTUARY ON THE VALUATION  
PREPARED AS OF JUNE 30, 2007**



# Cavanaugh Macdonald

CONSULTING, LLC

*The experience and dedication you deserve*

July 3, 2008

Board of Trustees,  
Georgia Judicial Retirement System  
Suite 400, Two Northside 75  
Atlanta, GA 30318

#### Members of the Board:

Section 47-23-21 of the law governs the operation of the Georgia Judicial Retirement System. The actuary makes annual valuations of the contingent assets and liabilities of the Retirement System on the basis of regular interest and the tables last adopted by the Board of Trustees. We have submitted the report giving the results of the actuarial valuation of the System prepared as of June 30, 2007. The report indicates that annual employer contributions at the rate of 3.85% of compensation for the fiscal year ending June, 30, 2010 are sufficient to support the benefits of the System.

In preparing the valuation, the actuary relied on data provided by the System. While not verifying data at the source, the actuary performed tests for consistency and reasonableness. Our firm, as actuary, is responsible for all of the actuarial trend data in the financial section of the annual report and the supporting schedules in the actuarial section of the annual report.

In our opinion, the valuation is complete and accurate, and the methodology and assumptions are reasonable as a basis for the valuation. The valuation takes into account the effect of all amendments to the System enacted through the 2007 session of the General Assembly as well as 1.5% Ad Hoc COLAs effective July 1, 2007, January 1, 2008, July 1, 2008 and July 1, 2009.

The System is funded on an actuarial reserve basis. The actuarial assumptions recommended by the actuary and adopted by the Board are in the aggregate reasonably related to the experience under the System and to reasonable expectations of anticipated experience under the System. The assumptions and methods used for funding purposes meet the parameters set for the disclosures presented in the financial section by Governmental Accounting Standards Board (GASB) Statement Nos. 25 and 27. The funding objective of the plan is that contribution rates over time will remain level as a percent of payroll. The valuation method used is the entry age normal cost method. The normal contribution rate to cover current cost has been determined as a level percent of payroll. Gains and losses are reflected in the unfunded accrued liability which is negative and being amortized as a level percent of payroll within a 16-year period.





Board of Trustees  
July 3, 2008  
Page 2

The System is being funded in conformity with the minimum funding standard set forth in Code Section 47-20-10 of the Public Retirement Systems Standards Law. In our opinion the System is operating on an actuarially sound basis. Assuming that contributions to the System are made by the employer from year to year in the future at the rates recommended on the basis of the successive actuarial valuations, the continued sufficiency of the retirement fund to provide the benefits called for under the System may be safely anticipated.

This is to certify that the independent consulting actuary is a member of the American Academy of Actuaries and has experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'E. Macdonald'.

Edward A. Macdonald, ASA, FCA, MAAA  
President

A handwritten signature in blue ink, appearing to read 'Cathy Turcot'.

Cathy Turcot  
Managing Director

EAM:kc



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**GEORGIA JUDICIAL RETIREMENT SYSTEM  
REPORT OF THE ACTUARY  
ON THE VALUATION  
PREPARED AS OF JUNE 30, 2007**

**SECTION I - SUMMARY OF PRINCIPAL RESULTS**

1. For convenience of reference, the principal results of the current and preceding valuations are summarized below:

<b>Valuation Date</b>	<b>June 30, 2007</b>	<b>June 30, 2006</b>
Number of active members	480	478
Annual compensation	\$ 48,620,963	\$ 45,307,981
Retired members and beneficiaries:		
Number	171	165
Annual allowances	\$ 9,472,721	\$ 8,916,617
Assets:		
Market Value	\$ 304,974,000	\$ 269,207,000
Actuarial Value	297,090,000	279,564,000
Unfunded actuarial accrued liability	\$ (47,811,658)	\$ (49,727,147)
Amortization period (years)	16	18
Funded Ratio	119.2%	121.6%
<b>For Fiscal Year Ending</b>	<b>June 30, 2010</b>	<b>June 30, 2009</b>
Annual Required Employer Contribution Rates (ARC):		
Normal	12.05%	12.26%
Accrued liability	<u>(8.20)</u>	<u>(8.41)</u>
Total	3.85%	3.85%

2. The valuation takes into account the effect of amendments of the System enacted through the 2007 session of the General Assembly. The valuation reflects the 1.5% Ad Hoc COLAs effective July 1, 2007, January 1, 2008, July 1, 2008 and July 1, 2009. The major benefit and contribution provisions of the System as reflected in the valuation are summarized in Schedule F.
3. Schedule D of this report outlines the full set of actuarial assumptions and methods used to prepare the current valuation. There have been no changes since the previous valuation.



4. The entry age actuarial cost method was used to prepare the valuation. Schedule E contains a brief description of this method.
5. Comments on the valuation results as of June 30, 2007 are given in Section IV and further discussion of the contributions is set out in Section V.

**SECTION II - MEMBERSHIP**

1. Data regarding the membership of the System for use as a basis of the valuation were furnished by the Retirement System office. The valuation included 480 active members, with annual compensation of \$48,620,963.
2. The following table shows the number of retired members and beneficiaries receiving a benefit as of June 30, 2007, together with the amount of their annual allowances payable under the System as of that date.

**THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES  
OF RETIRED MEMBERS AND BENEFICIARIES RECEIVING BENEFITS  
AS OF JUNE 30, 2007**

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES
Service Retirements	121	\$ 8,071,461
Disability Retirements	2	107,117
Beneficiaries of Deceased Members	<u>48</u>	<u>1,294,143</u>
Total	171	\$ 9,472,721





### **SECTION III - ASSETS**

1. As of June 30, 2007 the total market value of assets amounted to \$304,974,000 as reported by the Auditor of the System. The actuarial value of assets used for the current valuation was \$297,090,000. Schedule B shows the development of the actuarial value of assets as of June 30, 2007.
2. Schedule C shows receipts and disbursements of the System for the two years preceding the valuation date and a reconciliation of the fund balances at market value.

### **SECTION IV – COMMENTS ON VALUATION**

1. Schedule A of this report contains the valuation balance sheet which shows the present and prospective assets and liabilities of the System as of June 30, 2007. The valuation was prepared in accordance with the actuarial assumptions and methods set forth in Schedule D and the actuarial cost method which is described in Schedule E.
2. The valuation balance sheet shows that the System has total prospective liabilities of \$325,113,328, of which \$87,332,595 is for the prospective benefits payable on account of present retired members, beneficiaries of deceased members, and members entitled to deferred vested benefits, and \$237,780,733 is for the prospective benefits payable on account of present active members. Against these liabilities, the System has total present assets for valuation purposes of \$297,090,000 as of June 30, 2007. The difference of \$28,023,328 between the total liabilities and the total present assets represents the present value of contributions to be made in the future. Of this amount, \$31,606,302 is the present value of future contributions expected to be made by or on behalf of members, and the balance of (\$3,582,974) represents the present value of future contributions payable by the employers.
3. The employer's contributions to the System consist of normal contributions and accrued liability contributions. The valuation indicates that annual employer normal contributions at the rate of 12.05% of active members' compensation are required to provide the currently accruing benefits of the System.





4. Prospective normal contributions at the rate of 12.05% of active members' compensation have a present value of \$44,228,684. When this amount is subtracted from (\$3,582,974), which is the present value of the total future contributions to be made by the employers, the result is a prospective unfunded actuarial accrued liability of (\$47,811,658).

**SECTION V – CONTRIBUTIONS PAYABLE BY EMPLOYERS**

1. The contributions of employers consist of a normal contribution and an accrued liability contribution as determined by actuarial valuation.
2. The normal contribution rate is calculated as the level percentage rate which, if applied to the compensation of the average member during the entire period of his anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his behalf. On the basis of the valuation, the normal contribution rate was determined to be 12.05% of active members' compensation.
3. The accrued liability contribution at the rate of (8.20%) of active members' compensation is sufficient to amortize the unfunded actuarial accrued liability within 16 years following the valuation date assuming that the total payroll of active members will increase by 3.75% each year.
4. The following table summarizes the employer contribution rates, which were determined by the June 30, 2007 valuation and are recommended for use.

**ANNUAL REQUIRED EMPLOYER CONTRIBUTION RATES (ARC)  
FOR FISCAL YEAR ENDING JUNE 30, 2010**

CONTRIBUTION	PERCENTAGE OF ACTIVE MEMBERS' COMPENSATION
Normal	12.05%
Accrued Liability	<u>(8.20)</u>
Total	3.85%



**SECTION VI – ACCOUNTING INFORMATION**

1. Governmental Accounting Standards Board Statements 25 and 27 set forth certain items of required supplementary information to be disclosed in the financial statements of the System and the employer. One such item is a distribution of the number of employees by type of membership, as follows:

**NUMBER OF ACTIVE AND RETIRED MEMBERS  
AS OF JUNE 30, 2007**

GROUP	NUMBER
Retirees and beneficiaries currently receiving benefits	171
Terminated employees entitled to benefits but not yet receiving benefits	64
Active plan members	<u>480</u>
Total	715

2. Another such item is the schedule of funding progress as shown below.

**SCHEDULE OF FUNDING PROGRESS**  
(Dollar amounts in thousands)

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b - a) / c)</b>
6/30/2002	\$ 228,417	\$ 175,154	\$ (53,263)	130.4%	\$ 38,630	(137.9)%
6/30/2003	237,683	185,825	(51,858)	127.9	38,867	(133.4)
6/30/2004	250,313	196,502	(53,811)	127.4	40,908	(131.5)
6/30/2005	264,924	213,060	(51,864)	124.3	42,916	(120.9)
6/30/2006	279,564	229,837	(49,727)	121.6	45,308	(109.8)
6/30/2007	297,090	249,278	(47,812)	119.2	48,621	(98.3)

All figures prior to 6/30/2005 were reported by the prior actuarial firm.



3. The following shows the schedule of employer contributions (all dollar amounts are in thousands).

<u>Year Ending</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2002	\$ 0	N/A
6/30/2003	0	N/A
6/30/2004	1,558	100%
6/30/2005	1,594	100
6/30/2006	1,683	100
6/30/2007	1,778	100

All figures prior to 6/30/2005 were reported by the prior actuarial firm.

4. Following is the calculation of the annual pension cost and net pension obligation for the fiscal year ending June 30, 2007.

**Annual Pension Cost and Net Pension Obligation for Fiscal Year Ending June 30, 2007**

(a) Employer annual required contribution	\$ 1,778,000
(b) Interest on net pension obligation	92,000
(c) Adjustment to annual required contribution	<u>135,000</u>
(d) Annual pension cost (a) + (b) – (c)	\$ 1,735,000
(e) Employer contributions made for fiscal year ending 06/30/07	<u>1,778,000</u>
(f) Increase (decrease) in net pension obligation (d) – (e)	\$ (43,000)
(g) Net pension obligation beginning of fiscal year	<u>1,224,000</u>
(h) Net pension obligation end of fiscal year (f) + (g)	\$ 1,181,000

**TREND INFORMATION**  
(Dollar amounts in thousands)

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2005	\$ 1,531	104%	\$ 1,280
June 30, 2006	1,627	103	1,224
June 30, 2007	1,735	102	1,181



5. The information presented in the required supplementary schedules was determined as part of the actuarial valuation at June 30, 2007. Additional information as of the latest actuarial valuation follows.

Valuation date	6/30/2007
Actuarial cost method	Entry age
Amortization method	Level percent of pay, open
Remaining amortization period	16 years
Asset valuation method	7-year smoothed market
Actuarial assumptions:	
Investment rate of return*	7.50%
Projected salary increases*	6.00%
Cost-of-living adjustments	None
*Includes inflation at	3.75%

#### **SECTION VII – EXPERIENCE**

1. The last experience investigation was prepared for the four-year period ending June 30, 2004, and based on the results of the investigation, new rates of separation and mortality were adopted by the Board on April 20, 2006. The next experience investigation will be prepared for the period July 1, 2004 through June 30, 2009.





2. The following table shows the estimated gain or loss from various factors that resulted in an increase of \$1,915,489 in the unfunded accrued liability from (\$49,727,147) to (\$47,811,658) during the fiscal year ending June 30, 2007.

**ANALYSIS OF THE INCREASE IN UNFUNDED ACCRUED LIABILITY**  
(in thousands of dollars)

ITEM	AMOUNT OF INCREASE/ (DECREASE)
Interest (7.50) added to previous unfunded accrued liability	\$ (3,729.5)
Accrued liability contribution	3,953.2
Experience:	
Valuation asset growth	(1,026.0)
Pensioners' mortality	(154.4)
Turnover and retirements	(1,614.7)
New entrants	659.5
Salary increases	369.8
Method changes	0.0
Amendments (COLAs)	24.1
Assumption changes	0.0
Miscellaneous changes	<u>3,433.5</u>
Total	\$ 1,915.5



**SCHEDULE A**

**VALUATION BALANCE SHEET  
SHOWING THE PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES OF  
THE GEORGIA JUDICIAL RETIREMENT SYSTEM  
AS OF JUNE 30, 2007**

<b><u>ACTUARIAL LIABILITIES</u></b>		
(1)	Present value of prospective benefits payable on account of present retired members, beneficiaries of deceased members, and members entitled to deferred vested benefits	
-	Service and disability benefits	\$ 73,230,126
-	Death and survivor benefits	9,655,214
-	Deferred vested benefits	<u>4,447,255</u>
	Total	\$ 87,332,595
(2)	Present value of prospective benefits payable on account of present active members	<u>237,780,733</u>
(3)	TOTAL ACTUARIAL LIABILITIES	<u>\$ 325,113,328</u>
<b><u>PRESENT AND PROSPECTIVE ASSETS</u></b>		
(4)	Actuarial value of assets	\$ 297,090,000
(5)	Present value of total future contributions = (3)-(4)	\$ 28,023,328
(6)	Present value of future member contributions	31,606,302
(7)	Present value of future employer contributions = (5)-(6)	\$ (3,582,974)
(8)	Employer normal contribution rate	12.05%
(9)	Present value of future payroll	\$ 367,043,024
(10)	Prospective normal contributions = (8) x (9)	44,228,684
(11)	Prospective unfunded accrued liability contributions = (7)-(10)	<u>(47,811,658)</u>
(12)	TOTAL PRESENT AND PROSPECTIVE ASSETS	<u>\$ 325,113,328</u>



**SCHEDULE B**

**DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS**

(1)	Actuarial Value Beginning of Year	\$ 279,564,000
(2)	Market Value End of Year	\$ 304,974,000
(3)	Market Value Beginning of Year	\$ 269,207,000
(4)	Cash Flow	
	(a) Contributions	\$ 5,818,000
	(b) Benefit Payments	<u>(9,375,000)</u>
	(c) Net: (4)(a) + (4)(b)	\$ (3,557,000)
(5)	Investment Income	
	(a) Market Total: (2) – (3) – (4)(c)	\$ 39,324,000
	(b) Assumed Rate	7.50%
	(c) Amount for Immediate Recognition: [(3) x (5)(b)] + [(4)(c) x (5)(b) x 0.5]	\$ 20,057,000
	(d) Amount for Phased-In Recognition: (5)(a) – (5)(c)	19,267,000
(6)	Phased-In Recognition of Investment Income	
	(a) Current Year: (5)(d) / 7	\$ 2,752,000
	(b) First Prior Year	(1,726,000)
	(c) Second Prior Year	0
	(d) Third Prior Year	0
	(e) Fourth Prior Year	0
	(f) Fifth Prior Year	0
	(g) Sixth Prior Year	<u>0</u>
	(h) Total Recognized Investment Gain	\$ 1,026,000
(7)	Actuarial Value End of Year: (1) + (4)(c) + (5)(c) + (6)(h)	\$ 297,090,000
(8)	Difference Between Market & Actuarial Values: (2) – (7)	\$ 7,884,000
(9)	Rate of Return on Actuarial Value	7.59%



**SCHEDULE C**

**SUMMARY OF RECEIPTS AND DISBURSEMENTS  
(Market Value)**

	YEAR ENDING	
	<u>June 30, 2007</u>	<u>June 30, 2006</u>
	<u>(\$1,000's)</u>	<u>(\$1,000's)</u>
<u>Receipts for the Year</u>		
Contributions:		
Members	\$ 4,040	\$ 4,221
Employer	<u>1,778</u>	<u>1,683</u>
Subtotal	\$ 5,818	\$ 5,904
Administrative Expense Allotment	175	175
Investment Earnings	<u>39,324</u>	<u>15,665</u>
TOTAL	\$ 45,317	\$ 21,744
<u>Disbursements for the Year</u>		
Benefit Payments	\$ 9,299	\$ 8,902
Refunds to Members	76	379
Administration Expense	<u>175</u>	<u>175</u>
TOTAL	\$ 9,550	\$ 9,456
<u>Excess of Receipts over Disbursements</u>	\$ 35,767	\$ 12,288
<u>Reconciliation of Asset Balances</u>		
Asset Balance as of the Beginning of Year	\$ 269,207	\$ 256,919
Excess of Receipts over Disbursements	<u>35,767</u>	<u>12,288</u>
Asset Balance as of the End of Year	<u>\$ 304,974</u>	<u>\$ 269,207</u>
Rate of Return	14.70%	6.14%





**SCHEDULE D**

**OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS**

Adopted by the Board April 20, 2006, with the exception of the valuation interest rate and rates of salary increases, which were adopted June 16, 2005.

**VALUATION INTEREST RATE:** 7.50% per annum, compounded annually, net of expenses.

**SALARY INCREASES:** 6.00% per annum.

**SEPARATIONS BEFORE SERVICE RETIREMENT:** Representative values of the assumed annual rates of separation before service retirement are as follows:

Age	Annual Rates of			
	Withdrawal	Death		Disability
		Men	Women	
20	13.0%	.056%	.029%	.1%
25	13.0	.073	.030	.1
30	13.0	.084	.040	.2
35	13.0	.089	.055	.3
40	13.0	.125	.082	.4
45	4.5	.190	.111	.7
50	3.0	.321	.173	1.0
55	3.0	.558	.292	1.8
60	3.0	1.015	.583	2.9
65	3.0	1.803	1.076	4.7

**RETIREMENT:** The assumed annual rates of retirement are shown below.

<u>Age</u>	<u>Annual Rates of Retirement*</u>
60	25%
61 – 64	10
65 – 69	12
70	50
71 – 74	20
75	100

\*In addition, 40% are assumed to retire each year after attaining 24 years of service before age 70.



**DEATHS AFTER RETIREMENT:** The 1994 Group Annuity Mortality Table rated forward two years is used for the period after retirement and for dependent beneficiaries. Representative values of the assumed annual rates of mortality are as follows:

Age	Men	Women	Age	Men	Women
40	.125%	.082%	65	1.803%	1.076%
45	.190	.111	70	2.848	1.651
50	.321	.173	75	4.517	2.837
55	.558	.292	80	7.553	4.915
60	1.015	.583	85	11.567	8.402

The RP-2000 Disability Mortality Table set forward three years is used for the period after disability.

**ASSET METHOD:** Actuarial Value, as developed in Schedule B. The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected value of assets, based on the assumed valuation rate of return. The amount recognized each year is 1/7 of the difference between market value and expected market value.

**VALUATION METHOD:** Entry age actuarial cost method. See Schedule E for a brief description of this method.

**SPOUSES:** For members who have elected spouse coverage, husbands are assumed to be three years older than their wives.



## SCHEDULE E

### **ACTUARIAL COST METHOD**

1. The valuation is prepared on the projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future (currently 7.50%), of each member's expected benefits at retirement or death is determined, based on age, service and sex. The calculations take into account the probability of a member's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his terminating with a service, disability or survivor's benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active members is added to the present value of the expected future payments to retired members, beneficiaries and members entitled to deferred vested benefits to obtain the present value of all expected benefits payable from the System on account of the present group of members and beneficiaries.
2. The employer contributions required to support the benefits of the System are determined following a level funding approach, and consist of a normal contribution and an unfunded actuarial accrued liability contribution.
3. The normal contribution is determined using the entry age actuarial cost method. Under this method, a calculation is made to determine the level amount which, if applied for the average member during the entire period of his anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his behalf.
4. The unfunded actuarial accrued liability contributions are determined by subtracting the present value of prospective employer normal contributions and member contributions, together with the current actuarial value of assets, from the present value of expected benefits to be paid from the System.



## SCHEDULE F

### **SUMMARY OF MAIN SYSTEM PROVISIONS AS INTERPRETED FOR VALUATION PURPOSES**

#### Service Retirement Benefit

Eligibility	Age 60 and 16 years of creditable service.
Benefit	Annual benefit is $66\frac{2}{3}\%$ of the annual salary plus 1% for each year of credited service over 16 years, not to exceed 24 years.

#### Early Retirement Benefit

Eligibility	Age 60 and 10 years of creditable service.
Benefit	A pro-rata portion of the normal retirement benefit, based on service not to exceed 16 years.

#### Disability Retirement Benefit

Eligibility	4 years of creditable service.
Benefit	For members with less than 10 years of creditable service: $\frac{1}{2}$ of projected normal retirement benefit. For members with 10 or more years of creditable service: $\frac{2}{3}$ of projected normal retirement benefit.

#### Death Benefit

Eligibility	10 years of creditable service during which the member has contributed for spouse coverage.
Benefit	<p>50% of benefit which member was receiving if retired, or would have received had he retired on the date of his death. If under age 60, and the member was a member of a Predecessor Retirement System, an immediate benefit equal to 50% of the benefit which member would have received had he remained employed and retired at age 60. If under age 60 and not a member of a Predecessor Retirement System, an immediate benefit equal to 50% of the benefit which the member would have received if the member were age 60 on the date of death.</p> <p>If member rejects spouse coverage or dies before contributing for spouse's coverage for at least 10 years, death benefit is return of member's contributions with interest.</p>





Deferred Vested Retirement Benefit

Eligibility

10 years of creditable service.

Benefit

Accrued benefit deferred to age 60.

Termination Benefit

If a member terminates for reasons other than retirement, he or his beneficiary is entitled to a return of the member's accumulated contributions with interest in lieu of any other benefit.

Contributions

Members contribute 7-1/2% of salary, plus 2-1/2% of salary for up to 16 years if spouse benefit is not rejected.

Employer contributions are actuarially determined and approved and certified by the Board.

Cost-of-Living Allowance (COLA)

There is no automatic provision. The Board or Legislature can make ad hoc increases.



**SCHEDULE G**

**The Number and Average Annual Compensation of Active Members  
by Age and Service as of June 30, 2007**

Age	Years of Service									Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Up	
Under 25	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0
30 to 34	1	5	1	0	0	0	0	0	0	7
Avg. Pay	190,590	67,408	74,096	0	0	0	0	0	0	85,961
35 to 39	5	14	8	0	0	0	0	0	0	27
Avg. Pay	103,412	80,159	85,884	0	0	0	0	0	0	86,162
40 to 44	4	17	11	5	0	1	0	0	0	38
Avg. Pay	120,125	92,862	95,716	78,273	0	73,707	0	0	0	94,134
45 to 49	2	17	19	20	6	2	0	0	0	66
Avg. Pay	80,138	98,356	105,629	105,839	106,189	123,106	0	0	0	103,627
50 to 54	2	18	32	33	11	16	1	0	0	113
Avg. Pay	45,088	103,620	95,173	104,065	112,610	115,307	118,563	0	0	102,984
55 to 59	2	17	25	32	10	20	7	0	1	114
Avg. Pay	123,333	105,809	103,170	104,041	88,318	115,115	99,157	0	112,748	104,792
60 to 64	3	3	10	27	10	12	6	3	0	74
Avg. Pay	120,252	118,563	99,715	103,463	105,915	107,637	100,721	50,406	0	102,884
65 to 69	0	3	5	6	4	11	6	0	0	35
Avg. Pay	0	66,510	126,684	110,375	50,426	120,008	93,126	0	0	102,164
70 & Up	0	0	1	1	1	0	3	0	0	6
Avg. Pay	0	0	118,563	43,657	56,908	0	94,851	0	0	83,947
Total	19	94	112	124	42	62	23	3	1	480
Avg. Pay	107,685	94,991	99,955	102,992	97,066	114,175	98,274	50,406	112,748	101,294

Average Age: 53.9  
Average Service: 11.4



**SCHEDULE G**  
**(Continued)**

**NUMBER OF RETIRED MEMBERS  
AND THEIR BENEFITS BY AGE**

<b>Age</b>	<b>Number of Members</b>	<b>Total Annual Benefits</b>	<b>Average Annual Benefits</b>
Under 50	0	\$ 0	\$ 0
50 – 54	0	0	0
55 – 59	0	0	0
60 – 64	22	1,381,906	62,814
65 – 69	27	1,868,238	69,194
70 – 74	28	2,203,456	78,695
75 – 79	21	1,421,799	67,705
80 – 84	16	830,091	51,881
85 – 89	7	365,971	52,282
90 – 94	0	0	0
95 & Over	0	0	0
<b>Total</b>	<b>121</b>	<b>\$ 8,071,461</b>	<b>\$ 66,706</b>

**NUMBER OF BENEFICIARIES  
AND THEIR BENEFITS BY AGE**

<b>Age</b>	<b>Number of Members</b>	<b>Total Annual Benefits</b>	<b>Average Annual Benefits</b>
Under 50	1	\$ 6,247	\$ 6,247
50 – 54	1	5,512	5,512
55 – 59	2	49,614	24,807
60 – 64	3	111,727	37,242
65 – 69	5	135,169	27,034
70 – 74	7	228,307	32,615
75 – 79	10	253,452	25,345
80 – 84	11	290,958	26,451
85 – 89	6	174,568	29,095
90 – 94	2	38,589	19,294
95 & Over	0	0	0
<b>Total</b>	<b>48</b>	<b>\$ 1,294,143</b>	<b>\$ 26,961</b>



**SCHEDULE G**  
**(Continued)**

**NUMBER OF DISABLED RETIREES  
AND THEIR BENEFITS BY AGE**

<b>Age</b>	<b>Number of Members</b>	<b>Total Annual Benefits</b>	<b>Average Annual Benefits</b>
Under 50	1	\$ 53,893	\$ 53,893
50 – 54	0	0	0
55 – 59	0	0	0
60 – 64	1	53,224	53,224
65 – 69	0	0	0
70 – 74	0	0	0
75 – 79	0	0	0
80 – 84	0	0	0
85 – 89	0	0	0
90 – 94	0	0	0
95 & Over	0	0	0
Total	2	\$ 107,117	\$ 53,558