Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

June 12, 2006

Mr. Michael Nehf
Executive Director
Georgia Public School Employees' Retirement System
Two Northside 75, Suite 300
Atlanta, GA 30318-7778

Dear Mr. Nehf:

Enclosed are 40 bound copies and one unbound copy of the "Georgia Public School Employees' Retirement System Report of the Actuary on the Valuation Prepared as of June 30, 2005".

The valuation indicates that employer contributions for the fiscal year ending June 30, 2008 of $1,534,228 or $41.80 per active member are sufficient to support the benefits of the System. The valuation takes into account the increase in the benefit accrual rate from $13.50 to $14.00 effective July 1, 2006. Each additional $0.50 increase in the accrual rate would increase the required contribution by $2,583,000 based on a 20-year amortization.

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

Sincerely yours,

Edward A. Macdonald, ASA, FCA, MAAA
President

EAM:sh

Enclosure

S:\Georgia Public School\Valuation\val2005.doc

665 Molly Lane, Suite 150, Woodstock, GA 30189
Phone (678) 388-1700 • Fax (678) 388-1730
www.CavMacConsulting.com

EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

GEORGIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

REPORT OF THE ACTUARY ON THE VALUATION PREPARED AS OF JUNE 30, 2005

Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

June 12, 2006

Board of Trustees,
Georgia Public School Employees' Retirement System
Two Northside 75, Suite 300
Atlanta, GA 30318

Members of the Board:

Section 47-4-60 of the law governing the operation of the Georgia Public School Employee' Retirement System provides that the employer contribution shall be actuarially determined and approved 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, 2005. The report indicates that annual employer contributions of $1,534,228 or $41.80 per active member for the fiscal year ending June 30, 2008 are sufficient to support the benefits of the System.

Since the previous valuation, the assumed rates of withdrawal, retirement and mortality have been revised to reflect the results of the experience investigation for the four year period ending June 30, 2004. These revised assumptions were adopted by the Board on April 20, 2006. 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 2005 session of the General Assembly and includes the increase in the benefit accrual rate from $13.50 to $14.00 effective July 1, 2006.

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 dollar per active member. Gains and losses are reflected in the unfunded accrued liability which is negative and being amortized as a level dollar per active member within a 30-year period.

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.

665 Molly Lane, Suite 150, Woodstock, GA 30189
Phone (678) 388-1700 • Fax (678) 388-1730
www.CavMacConsulting.com

This is to certify that the independent consulting actuary is a member of the American Academy of Actuaries and has experience is 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.

Sincerely yours,

Edward A. Macdonald, ASA, FCA, MAAA
President

EAM:sh

TABLE OF CONTENTS

GEORGIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
REPORT OF THE ACTUARY
ON THE VALUATION
PREPARED AS OF JUNE 30, 2005

SECTION I - SUMMARY OF PRINCIPAL RESULTS

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

Valuation Date	June 30, 2005	June 30, 2004[1]
Number of active members	36,704	35,943
Retired members and beneficiaries:		
Number	12,675	12,325
Annual allowances[2]	$ 41,316,366	$ 40,265,812
Assets:		
Market Value	$ 737,930,000	$ 723,071,000
Actuarial Value	753,767,000	743,815,000
Unfunded actuarial accrued liability	$ (82,727,435)	$ (76,932,018)
Amortization Period (years)	30	25
For Fiscal Year Ending	**June 30, 2008**	**June 30, 2007**
Employer contribution rate per active member:		
Normal	$ 232.64	$ 294.89
Accrued liability	(190.84)	(193.77)
Total	$ 41.80	$ 101.12
Annual Required Employer Contribution Rates (ARC)[3]:		
Normal	$ 8,538,819	$ 10,599,231
Accrued liability	(7,004,591)	(6,964,735)
Total	$ 1,534,228	$ 3,634,496

1 Reported by prior actuarial firm.

2 Does not include increases in benefit accrual rate effective after the valuation date. The results of the valuation have been adjusted to include these increases.

3 The ARC is in addition to any administrative expense allotments that are contributed to the System.

2. The valuation takes into account the effect of amendments of the System enacted through the 2005 session of the General Assembly. Since the previous valuation, the benefit multiplier for active and retired members has been increased from $13.50 to $14.00. The major benefit and contribution provisions of the System as reflected in the valuation are summarized in Schedule F.

3. Since the previous valuation, the assumed rates of withdrawal, disability, retirement and mortality have been revised to reflect the results of the experience investigation for the four year period ending June 30, 2004. These revised assumptions were adopted by the Board on April 20, 2006. Schedule D of this report outlines the full set of actuarial assumptions used to prepare the current 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, 2005 are given in Section IV, and further discussion of the contributions is set out in Section V.

SECTION II – MEMBERSHIP DATA

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 36,704 active members.

2. The following table shows the number of retired members and beneficiaries on the roll as of June 30, 2005, 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 ON THE ROLL AS OF JUNE 30, 2005

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES*
Service Retirements	10,938	$35,585,142
Disability Retirements	1,045	4,281,089
Beneficiaries of Deceased Members	692	1,450,135
Total	12,675	$41,316,366

*The allowances do not reflect the increases in benefit accrual rates after the valuation date.

SECTION III - ASSETS

1. The retirement law provides for the maintenance of two funds for the purpose of recording the financial transactions of the System; namely, the Members' Contributions Fund and the Pension Accumulation Fund.

(a) Members Contributions Fund

The Members' Contributions Fund is the fund to which are credited all contributions made by members together with regular interest thereon. When a member retires, or if a death benefit allowance becomes payable to his beneficiary, his accumulated contributions are transferred from the Members' Contributions Fund to the Pension Accumulation Fund. The annuity which these contributions provide is then paid from the Pension Accumulation Fund. On June 30, 2005 the value of assets credited to the Annuity Savings Fund amounted to $20,094,000.

(b) Pension Accumulation Fund

The Pension Accumulation Fund is the fund to which all income from investments and all contributions made by employers of members of the System and by the State for members of local retirement funds are credited. All retirement allowance and death benefit allowance payments are disbursed from this fund. Upon the retirement of a member, or upon his death if a death benefit allowance is payable, his accumulated contributions are transferred from the Annuity Savings Fund to this fund to provide the annuity portion of the allowance. On June 30, 2005 the market value of assets credited to the Pension Accumulation Fund amounted to $717,836,000.

2. As of June 30, 2005 the total market value of assets amounted to $737,930,000 as reported by the independent Auditor of the System. The actuarial value of assets at June 30, 2005 is $753,767,000. Schedule B shows the development of the actuarial value of assets as of June 30, 2005.

3. Schedule C shows the receipts and disbursements of the System for the two years preceding the valuation date and a reconciliation of the fund balances.

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, 2005. 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 $721,355,031, of which $416,790,098 is for the prospective benefits payable on account of present retired members, beneficiaries of deceased members, and members entitled to deferred vested benefits, and $304,564,933 for the prospective benefits payable on account of present active members. Against these liabilities, the System has total present assets of $753,767,000 as of June 30, 2005. The difference of ($32,411,969) between the total liabilities and the total present assets represents the present value of contributions to be made in the future. Of this amount, $6,742,692 is the present value of future contributions expected to be made by or on behalf of members, and the balance of ($39,154,661) represents the present value of future contributions payable by the employers to the Pension Accumulation Fund.

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 $232.64 per active member are required to provide the currently accruing benefits of the System.

4. Prospective normal contributions at the rate of $232.64 have a present value of $43,572,774. When this amount is subtracted from ($39,154,661), 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 ($82,727,435).

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 dollar 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. On the basis of the valuation, the normal contribution rate was determined to be $8,538,819, or $232.64 per active member.
3. The accrued liability contribution is the level annual amount which will be sufficient to amortize the unfunded actuarial accrued liability within 30 years following the valuation date. The annual accrued liability contribution determined on this basis is ($7,004,591), or ($190.84) per active member.
4. The following table summarizes the employer contribution rates which were determined by the June 30, 2005 valuation and are recommended for use.

ANNUAL REQUIRED EMPLOYER CONTRIBUTION RATES (ARC)
FOR FISCAL YEAR ENDING JUNE 30, 2008

CONTRIBUTION	PER ACTIVE MEMBER	ANNUAL AMOUNT
Normal	$232.64	$8,538,819
Accrued Liability	(190.84)	(7,004,591)
Total	$ 41.80	$1,534,228

5. Schedule H shows the allocation of the annual required contribution for fiscal year 2007/2008 by school system.

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, 2005

GROUP	NUMBER
Retirees and beneficiaries receiving benefits	12,675
Terminated plan members entitled to benefits but not yet receiving benefits	44,019
Active plan members	36,704
Total	93,398

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

SCHEDULE OF FUNDING PROGRESS (Dollar Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b – a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b – a) / c)
6/30/2000	$667,642	$615,357	$(52,285)	108.5%	N/A	N/A
6/30/2001	708,391	613,347	(95,044)	115.5	N/A	N/A
6/30/2002	727,529	630,295	(97,234)	115.4	N/A	N/A
6/30/2003	734,879	664,207	(70,672)	110.6	N/A	N/A
6/30/2004	743,815	666,883	(76,932)	111.5	N/A	N/A
6/30/2005*	753,767	671,040	(82,727)	112.3	N/A	N/A

All figures prior to 6/30/2005 were reported by prior actuarial firm.
* Reflects increase in benefit accrual rate from $13.50 to $14.00.

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

Year Ending	Annual Required Contribution	Percentage Contributed
6/30/2000	$ 9,789	184%
6/30/2001	12,874	132
6/30/2002	11,623	100
6/30/2003	4,121	86
6/30/2004	833	100
6/30/2005	833	100

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

4. Following is the calculation of the annual pension cost and net pension obligation for the fiscal year ending June 30, 2005.

Annual Pension Cost and Net Pension Obligation for Fiscal Year Ending June 30, 2005

(a)	Employer annual required contribution	$	833,000
(b)	Interest on net pension obligation		(1,324,000)
(c)	Adjustment to annual required contribution		(2,505,000)
(d)	Annual pension cost (a) + (b) – (c)	$	2,014,000
(e)	Employer contributions made for fiscal year ending 6/30/05		833,000
(f)	Increase (decrease) in net pension obligation (d) – (e)	$	1,181,000)
(g)	Net pension obligation beginning of fiscal year		(18,265,000)
(h)	Net pension obligation end of fiscal year (f) + (g)	$	(17,084,000)

TREND INFORMATION
(Dollar Amounts in Thousands)

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2003*	$ 4,217	84%	$(18,674)
June 30, 2004*	1,242	67	(18,265)
June 30, 2005	2,014	41	(17,084)

*Reported by prior actuarial firm.

5. The annual required contribution (ARC) of the employer in dollars, determined in accordance with the parameters of GASB 25/27 is shown below. The accrued liability rate is based on amortization of the unfunded accrued liability of ($82,727,435) within a 30-year period from the valuation date.

2007/2008 FISCAL YEAR
ANNUAL REQUIRED CONTRIBUTION (ARC)
BASED ON THE VALUATION AS OF JUNE 30, 2005

ANNUAL REQUIRED CONTRIBUTION (ARC)	AMOUNT
Normal	$8,538,819
Accrued Liability	(7,004,591)
Total	$1,534,228

6. The information presented in the required supplementary schedules was determined as part of the actuarial valuation at June 20, 2005. Additional information as of this actuarial valuation follows.

Valuation date	6/30/2005
Actuarial cost method	Entry age
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return*	7.50%
Projected salary increases*	N/A
Cost-of-living adjustments	3% Annually
*Includes inflation at	3.75%

SECTION VII – EXPERIENCE

1. An experience investigation for the four-year period ending June 30, 2004 was prepared and based on the results 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 a decrease of $5,795,417 in the unfunded accrued liability from ($76,932,018) to ($82,727,435) during the fiscal year ending June 30, 2005.

ANALYSIS OF THE DECREASE IN UNFUNDED ACCRUED LIABILITY
($ in Thousands)

ITEM	AMOUNT OF INCREASE/ (DECREASE)
Interest (7.50%) added to previous unfunded accrued liability	$ (5,769.9)
Accrued liability contribution	9,691.0
Experience	
Valuation Asset Growth	5,256.0
Pensioners' Mortality	(3,354.4)
Turnover and Retirements	4,608.5
New Entrants	4,121.2
Method Changes	(1,559.2)
Amendments	23,008.5
Assumption Changes	(41,797.1)
Total	$ (5,795.4)

SCHEDULE A

VALUATION BALANCE SHEET

PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES
AS OF JUNE 30, 2005

Actuarial Liabilities

Present value of prospective benefits payable on account of:

(1)	Present retired members and beneficiaries of deceased members, and members entitled to deferred vested benefits		$ 416,790,098
(2)	Present active members		304,564,933
(3)	Total Actuarial Liabilities		$ 721,355,031

Present and Prospective Assets

(4)	Actuarial Value of Assets:		$ 753,767,000
(5)	Present value of total future contributions = (3) – (4)	$ (32,411,969)	
(6)	Present value of future member contributions		6,742,692
(7)	Present value of future employer contributions = (5) – (6)	$ (39,154,661)	
(8)	Employer normal contribution rate	$ 232.64	
(9)	Present value of future membership service	187,297	
(10)	Prospective normal contributions = (8) x (9)		43,572,774
(11)	Prospective unfunded actuarial accrued liability contributions = (7) – (10)		(82,727,435)
(12)	Total Present and Prospective Assets		$ 721,355,031

SCHEDULE B

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

(1)	Actuarial Value Beginning of Year		$ 743,815,000
(2)	Market Value End of Year		737,930,000
(3)	Market Value Beginning of Year		723,071,000
(4)	Cash Flow		
	(a)	Contributions	2,192,000
	(b)	Benefit Payments & Expenses	(41,303,000)
	(c)	Net: (4)(a) + (4)(b)	(39,111,000)
(5)	Investment Income		
	(a)	Market Total: (2) – (3) – (4)(c)	53,970,000
	(b)	Assumed Rate	7.50%
	(c)	Amount for Immediate Recognition: [(1) x (5)(b)] + [(4)(c) x (5)(b) x 0.5]	54,319,000
	(d)	Amount for Phased-In Recognition: (5)(a) – (5)(c)	(349,000)
(6)	Phased-In Recognition of Investment Income		
	(a)	Current Year: 0.20*(5)(d)	(70,000)
	(b)	First Prior Year	(5,186,000)
	(c)	Second Prior Year	0
	(d)	Third Prior Year	0
	(e)	Fourth Prior Year	0
	(f)	Total Recognized Investment Gain	(5,256,000)
(7)	Actuarial Value End of Year: (1) + (4)(c) + (5)(c) + (6)(f)		753,767,000
(8)	Difference Between Market & Actuarial Values: (2) – (7)		$ (15,837,000)
(9)	Rate of Return on Actuarial Value		6.77%

SCHEDULE C

SUMMARY OF RECEIPTS AND DISBURSEMENTS
(Market Value)

	YEAR ENDING	
Receipts for the Year	June 30, 2005 ($ Thousand)	June 30, 2004 ($ Thousand)
Contributions:		
Members	$ 1,352	$ 1,317
Employers	840	836
Total	$ 2,192	$ 2,153
Investment earnings	53,970	66,149
Administrative expense allotment	588	588
Total	$ 56,750	$ 68,890
Disbursements for the Year		
Retirement allowances	$ 41,016	$ 39,646
Refunds to members	287	294
Administration expense	588	588
Total	$ 41,891	$ 40,528
Excess of Receipts over Disbursements	$ 14,859	$ 28,362
Reconciliation of Asset Balances		
Asset Balance as of the Beginning of Year	$ 723,071	$ 694,709
Excess of receipts over disbursements	14,859	28,362
Asset balance as of the end of year	$ 737,930	$ 723,071
Rate of Return	7.67%	9.79%

SCHEDULE D

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

Adopted by the Board April 20, 2006, with the exception of the valuation interest rate, which was adopted June 16, 2005.

VALUATION INTEREST RATE: 7.50% per annum, compounded annually.

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

Annual Rates of Withdrawal

	Years of Service		
Age	0-4	5-9	10 & Over
		Males	
20	36.0%		
25	31.0	19.0%	
30	28.0	16.0	13.0%
35	27.0	15.0	9.0
40	24.0	14.0	8.0
45	21.0	12.5	7.0
50	19.5	11.0	6.5
55	16.0	9.0	6.0
		Females	
20	36.0%		
25	28.0	18.0%	
30	24.0	16.0	11.0%
35	20.0	14.0	10.0
40	19.0	12.5	9.0
45	17.5	11.0	8.0
50	16.0	9.5	7.0
55	13.0	8.0	6.0

Age	Annual Rates of Death Males	Annual Rates of Death Females	Annual Rates of Disability
20	0.06%	0.03%	0.00%
25	0.08	0.03	0.00
30	0.08	0.04	0.00
35	0.10	0.06	0.01
40	0.15	0.08	0.02
45	0.23	0.11	0.07
50	0.40	0.17	0.17
55	0.71	0.29	0.45
60	1.29	0.58	0.70
65	2.17	1.08	0.00

RETIREMENT:

Age	Annual Rate	Age	Annual Rate
60	17%	68	25%
61	17	69	25
62	26	70	28
63	18	71	28
64	21	72	28
65	32	73	28
66	25	74	28
67	25	75 & Over	100

DEATHS AFTER RETIREMENT: The 1994 Group Annuity Table set forward four years for males and set forward two years for females is used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disability Mortality Table set forward 5 years for males is used for the period after disability retirement. Representative values of the assumed annual rates of mortality for service retirements and beneficiaries are as follows:

Age	Men	Women	Age	Men	Women
40	0.146%	0.083%	65	2.173%	1.076%
45	0.233	0.111	70	3.405	1.651
50	0.398	0.173	75	5.586	2.837
55	0.709	0.292	80	8.961	4.915
60	1.294	0.583	85	13.945	8.402

ASSETS: 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 actuarial value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between market value and expected actuarial value.

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

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. 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

Normal Retirement Benefit	
Eligibility	Age 65 and 10 years of creditable service.
Benefit	Monthly benefit is $14.00 multiplied by years of creditable service. A one-time 1.75% increase is made at time of retirement. In addition, the retirement allowance of each retiree will be subject to a cost-of-living adjustment of 1-1/2% each January 1 and July 1.
Early Retirement Benefit	
Eligibility	Age 60 and 10 years of creditable service.
Benefit	Accrued benefit reduced by 6% for each year member is under age 65.
Disability Retirement Benefit	
Eligibility	15 years of service.
Benefit	Accrued benefit payable immediately.
Deferred Vested Retirement Benefit	
Eligibility	10 years of service. Member contributions not withdrawn.
Benefit	Accrued benefit deferred to age 65 or reduced benefit payable at age 60.
Termination Benefit	If a member dies in service or his service is terminated for reasons other than retirement, he or his beneficiary is entitled to a return of the member's accumulated contributions.
Optional Forms of Benefit	(1) Life annuity. Guaranteed payment of accumulated member contributions. (2) Joint and survivorship annuity. (3) Certain and life annuity.
Contributions	Members contribute $4 per month. Employer contributions are actuarially determined and approved and certified by the Board.

SCHEDULE G

NUMBER OF ACTIVE MEMBERS
BY AGE AND SERVICE AS OF JUNE 30, 2005

	Completed Years of Service									
Attained Age	**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**	**Total**
Under 25	151	306	20	0	0	0	0	0	0	477
25 to 29	195	639	174	2	0	0	0	0	0	1,010
30 to 34	330	1,327	515	101	10	0	0	0	0	2,283
35 to 39	396	1,901	1,188	299	115	8	0	0	0	3,907
40 to 44	408	2,300	1,694	703	328	112	12	0	0	5,557
45 to 49	394	1,953	1,559	836	587	212	96	7	0	5,644
50 to 54	302	1,598	1,271	782	683	320	175	52	5	5,188
55 to 59	288	1,663	1,238	754	671	403	299	124	40	5,480
60 to 64	190	1,181	1,002	507	388	276	237	155	47	3,983
65 to 69	83	692	640	254	164	91	87	51	36	2,098
70 & Up	29	287	350	177	92	43	43	32	24	1,077
Total	2,766	13,847	9,651	4,415	3,038	1,465	949	421	152	36,704

Average Age: 49.6
Average Service: 7.9

SCHEDULE G
(Continued)

NUMBER OF RETIRED MEMBERS AND THEIR BENEFITS BY AGE

Attained Age	Number of Members	Total Annual Benefits	Average Annual Benefits
Under 50	0	$ 0	$ 0
50 – 54	0	0	0
55 – 59	0	0	0
60 – 64	1,018	2,392,022	2,350
65 – 69	2,293	6,477,667	2,825
70 – 74	2,558	8,121,360	3,175
75 – 79	2,116	7,438,264	3,515
80 – 84	1,531	5,709,641	3,729
85 – 89	954	3,662,560	3,839
90 – 94	380	1,452,305	3,822
95 & Over	88	331,323	3,765
Total	10,938	$ 35,585,142	$ 3,253

NUMBER OF BENEFICIARIES AND THEIR BENEFITS BY AGE

Attained Age	Number of Members	Total Annual Benefits	Average Annual Benefits
Under 50	183	$ 316,898	$ 1,732
50 – 54	58	110,388	1,903
55 – 59	55	103,018	1,873
60 – 64	53	96,409	1,819
65 – 69	55	124,899	2,271
70 – 74	77	186,383	2,420
75 – 79	88	219,862	2,498
80 – 84	54	142,812	2,645
85 – 89	38	95,449	2,512
90 – 94	30	51,769	1,726
95 & Over	1	2,248	2,248
Total	692	$ 1,450,135	$ 2,096

SCHEDULE G
(Continued)

NUMBER OF DISABLED RETIREES AND THEIR BENEFITS BY AGE

Attained Age	Number of Members	Total Annual Benefits	Average Annual Benefits
Under 50	30	$ 100,144	$ 3,338
50 – 54	72	243,580	3,383
55 – 59	147	556,494	3,786
60 – 64	289	1,149,769	3,978
65 – 69	250	1,064,394	4,258
70 – 74	138	585,998	4,246
75 – 79	68	335,934	4,940
80 – 84	29	139,622	4,815
85 – 89	17	79,526	4,678
90 – 94	5	25,628	5,126
95 & Over	0	0	0
Total	1,045	$ 4,281,089	$ 4,097

SCHEDULE H

ALLOCATION OF 2006-2007
ANNUAL REQUIRED CONTRIBUTION BY SCHOOL SYSTEM

System Number	System Name	Contribution Amount
1	Appling	$ 2,926
2	Atkinson	1,965
3	Bacon	2,550
4	Baker	752
5	Baldwin	5,434
6	Banks	3,553
7	Barrow	11,662
8	Bartow	14,923
9	Ben Hill	3,428
10	Berrien	2,884
11	Bibb	26,794
12	Bleckley	3,177
13	Brantley	4,222
14	Brooks	3,219
15	Bryan	6,019
16	Bulloch	11,620
17	Burke	7,482
18	Butts	5,100
19	Calhoun	1,129
20	Camden	10,032
21	Candler	2,215
22	Carroll	17,138
23	Catoosa	10,910
24	Charlton	2,174
25	Chatham	21,987
26	Chattahoochee	669
27	Chattooga	3,093
28	Cherokee	30,221
29	Clarke	17,222
30	Clay	627
31	Clayton	54,591
32	Clinch	1,630
33	Cobb	98,439
34	Coffee	7,566
35	Colquitt	10,241
36	Columbia	23,450
37	Cook	3,846
38	Coweta	24,578
39	Crawford	2,424
40	Crisp	6,061

SCHEDULE H
(Continued)

ALLOCATION OF 2006-2007
ANNUAL REQUIRED CONTRIBUTION BY SCHOOL SYSTEM

System Number	System Name	Contribution Amount
41	Dade	$ 2,675
42	Dawson	4,431
43	Decatur	6,646
44	Dekalb	91,835
45	Dodge	4,305
46	Dooly	2,466
47	Dougherty	23,032
48	Douglas	23,199
49	Early	3,051
50	Echols	920
51	Effingham	10,993
52	Elbert	4,389
53	Emanuel	5,601
54	Evans	2,174
55	Fannin	4,138
56	Fayette	22,238
57	Floyd	9,530
58	Forsyth	27,254
59	Franklin	4,055
61	Gilmer	4,431
62	Glascock	1,003
63	Glynn	13,167
64	Gordon	6,688
65	Grady	4,347
66	Greene	3,051
67	Gwinnett	121,471
68	Habersham	6,897
69	Hall	28,508
70	Hancock	2,633
71	Haralson	4,264
72	Harris	6,688
73	Hart	5,267
74	Heard	2,174
75	Henry	30,263
76	Houston	25,832
77	Irwin	1,547
78	Jackson	7,942
79	Jasper	2,466
80	Jeff Davis	3,177
81	Jefferson	4,305

SCHEDULE H
(Continued)

ALLOCATION OF 2006-2007
ANNUAL REQUIRED CONTRIBUTION BY SCHOOL SYSTEM

System Number	System Name	Contribution Amount
82	Jenkins	$ 2,006
83	Johnson	1,923
84	Jones	5,350
85	Lamar	3,302
86	Lanier	1,379
87	Laurens	6,604
88	Lee	6,145
89	Liberty	13,376
90	Lincoln	2,341
91	Long	2,383
92	Lowndes	12,247
93	Lumpkin	4,682
94	Macon	3,386
95	Madison	6,145
96	Marion	1,756
97	McDuffie	4,723
98	McIntosh	2,257
99	Meriwether	5,601
100	Miller	1,463
101	Mitchell	2,675
102	Monroe	5,518
103	Montgomery	1,129
104	Morgan	3,678
105	Murray	7,775
106	Muscogee	41,340
107	Newton	17,723
108	Oconee	7,691
109	Oglethorpe	2,341
110	Paulding	23,366
111	Peach	5,434
112	Pickens	6,521
113	Pierce	3,428
114	Pike	3,511
115	Polk	6,604
116	Pulaski	1,881
117	Putnam	4,598
118	Quitman	418
119	Rabun	3,135
120	Randolph	2,383

SCHEDULE H
(Continued)

ALLOCATION OF 2006-2007
ANNUAL REQUIRED CONTRIBUTION BY SCHOOL SYSTEM

System Number	System Name	Contribution Amount
121	Richmond	$ 41,173
122	Rockdale	17,849
123	Schley	961
124	Screven	3,386
125	Seminole	1,797
126	Spalding	14,337
127	Stephens	5,810
128	Stewart	1,212
129	Sumter	7,022
130	Talbot	961
131	Taliaferro	502
132	Tattnall	4,305
133	Taylor	1,881
134	Telfair	2,299
135	Terrell	2,048
136	Thomas	4,640
137	Tift	6,228
138	Toombs	3,511
139	Towns	1,379
140	Treutlen	1,463
141	Troup	17,347
142	Turner	1,505
143	Twiggs	2,383
144	Union	3,386
145	Upson	5,894
146	Walker	11,119
147	Walton	12,038
148	Ware	7,482
149	Warren	1,338
150	Washington	3,678
151	Wayne	6,730
152	Webster	669
153	Wheeler	1,338
154	White	3,887
155	Whitfield	14,421
156	Wilcox	1,588
157	Wilkes	2,968
158	Wilkinson	2,257
159	Worth	4,556

SCHEDULE H
(Continued)

ALLOCATION OF 2006-2007
ANNUAL REQUIRED CONTRIBUTION BY SCHOOL SYSTEM

System Number	System Name	Contribution Amount
205	Bremen	$ 1,296
206	Buford	2,299
207	Calhoun	2,968
209	Carrollton	4,096
210	Cartersville	3,010
212	Chickamauga	920
214	Commerce	1,254
216	Dalton	4,055
217	Decatur	2,257
219	Dublin	2,383
221	Gainesville	4,013
224	Jefferson	1,839
226	Marietta	9,447
230	Pelham	1,129
232	Rome	3,344
247	Social Circle	1,630
236	Thomasville	2,508
239	Trion	1,045
240	Valdosta	7,775
241	Vidalia	2,383
	Georgia Military College	2,006