

**Georgia Public School Employees'  
Retirement System**

Report of the Actuary  
on the Valuation

Prepared as of June 30, 2004



Explore Excellence



June 8, 2005

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

Attention: Mr. Michael Nehf, Executive Director

Members of the Board:

We have been engaged by the Board of Trustees to provide the June 30, 2004 actuarial valuation of Georgia Public School Employees' Retirement System. Enclosed are 40 bound copies and one unbound copy.

Section 47-4-60 of the law governing the operation of the Georgia Public School Employees' Retirement System provides that the employer contributions shall be actuarially determined and approved by the Board. We have submitted the report giving the results of the actuarial valuation of the System prepared as of June 30, 2004. The report indicates that annual employer contributions of \$3,634,496 or \$101.12 per active member, for the fiscal year ending June 30, 2007 are sufficient to support the benefits of the System. In preparing the valuation, we relied on data provided by the System. While not verifying data at the source, we 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 used are reasonable as a basis for the valuation. Since the previous valuation, the assumed interest rate has been increased from 7.25% to 7.50%. The valuation takes into account the effect of amendments to the System enacted through the 2004 session of the General Assembly.

The actuarial assumptions we have recommended 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 dollar per active member. 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 member within a 25-year period.

The Retirement System is being funded in conformity with the minimum funding standard set forth in Code Section 47-20-10 of the Official Code of Georgia annotated known as the Public Retirement Systems Standards Law. In our opinion the System is operating on an actuarially sound basis. The fund met the minimum funding standards for the fiscal year ended June 30, 2004. 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 this and 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 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,

A handwritten signature in cursive script that reads "Kerry Schmidt".

Kerry N. Schmidt, F.S.A., E.A.  
Principal, Consulting Actuary

A handwritten signature in cursive script that reads "Cathy Turcot".

Catherine G. Turcot  
Director, Retirement

KNS/CGT:sh

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**GEORGIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM  
REPORT OF ACTUARY  
ON THE VALUATION  
PREPARED AS OF JUNE 30, 2004**

**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, 2004</b>	<b>June 30, 2003</b>
Number of active members	35,943	35,681
Retired members and beneficiaries:		
Number	12,325	12,017
Annual allowances	\$ 40,265,812 <sup>1</sup>	\$ 37,571,156 <sup>2</sup>
Assets:		
Market Value	\$ 723,071,000	\$ 694,709,000
Actuarial Value	743,815,000	734,879,000
Unfunded actuarial accrued liability	\$ (76,932,018)	\$ (70,672,332)
Amortization Period	25 years	11 years
<b>Fiscal Year Ending</b>	<b>June 30, 2007</b>	<b>June 30, 2005<sup>3</sup></b>
Employer contribution rate per active member:		
Normal	\$ 294.89	\$ 294.96
Accrued liability	<u>(193.77)</u>	<u>(271.61)</u>
Total	101.12	\$ 23.35
Annual required employer contributions (ARC): <sup>4</sup>		
Normal	\$ 10,599,231	\$ 10,524,468
Accrued liability	<u>(6,964,735)</u>	<u>(9,691,272)</u>
Total	\$ 3,634,496	\$ 833,196

<sup>1</sup> Does not include increase in benefit accrual rate effective July 1, 2004. The results of the valuation have been adjusted to include this increase.

<sup>2</sup> Does not include increase in benefit accrual rate effective July 1, 2003. The results of the valuation have been adjusted to include this increase.

<sup>3</sup> The ARC will also be payable for the fiscal year ending June 30, 2006, due to a Board decision that changes the contribution period to which the valuation applies to the fiscal year which begins 24 months after the valuation date.

<sup>4</sup> 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 to the System enacted through the 2004 session of the General Assembly. Since the previous valuation, the benefit multiplier for active and retired members has been increased from \$13.00 to \$13.50. 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 interest rate has been increased from 7.25% to 7.50%. Schedule D of this report outlines the full set of actuarial assumptions and methods used in the valuation.
4. The entry age actuarial cost method was used to prepare the valuation. Schedule E contains a brief description of the actuarial cost method.
5. Comments on the valuation results as of June 30, 2004 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 35,943 active members.
2. The following table shows the number of retired members and beneficiaries on the roll as of June 30, 2004 together with the amount of their annual retirement 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, 2004**

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES*
Service Retirements	10,612	\$ 34,636,046
Disability Retirements	1,038	4,247,814
Beneficiaries of Deceased Members	<u>675</u>	<u>1,381,952</u>
Total	12,325	\$ 40,265,812

\* These amounts reflect the 1-1/2% semi-annual cost-of-living adjustment effective July 1, 2004, but do not reflect the increase in benefit accrual rate effective July 1, 2004.

3. Tables 1 and 2 of Schedule G give the distribution by age and by years of credited service of the number of active members included in the valuation, while Tables 3, 4 and 5 give the number and annual retirement allowances of retired members and beneficiaries included in the valuation, distributed by age.

### SECTION III - ASSETS

1. Two funds are maintained 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 or on behalf of 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 portion of the allowance which these contributions provide is then paid from the Pension Accumulation Fund. On June 30, 2004 the market value of assets credited to the Members' Contributions Fund amounted to \$19,404,000.

- (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 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 Members' Contributions Fund to this fund to provide the member-contributed portion of the allowance. On June 30, 2004 the market value of assets credited to the Pension Accumulation Fund amounted to \$703,667,000.

2. As of June 30, 2004 the total market value of assets amounted to \$723,071,000. The actuarial value of assets used for the current valuation was \$743,815,000. Schedule B shows the development of the actuarial value of assets as of June 30, 2004.
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 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, 2004. The valuation was prepared in accordance with the actuarial assumptions 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 \$725,379,702 of which \$393,196,639 is for the prospective benefits payable on account of present retired members, beneficiaries of deceased members, and terminated members entitled to deferred benefits, and \$332,183,063 is for the prospective benefits payable on account of present active members. Against these liabilities, the System has total present assets of \$743,815,000 as of June 30, 2004. The difference of (\$18,435,298) between the total liabilities and the total present assets represents the present value of contributions to be made in the future. Of this amount, \$6,364,296 is the present value of future contributions expected to be made by or on behalf of members to the Members' Contributions Fund, and the balance of (\$24,799,594) represents the present value of future contributions payable by the employers to the Pension Accumulation Fund.
3. The employers' contributions to the System consist of normal contributions and accrued liability contributions. The valuation indicates that annual employer normal contributions at the rate of \$294.89 per active member are required under the entry age method.
4. Prospective normal contributions at the rate of \$294.89 have a present value of \$52,132,424. When this amount is subtracted from (\$24,799,594) which is the present value of the total future contributions to be made by the employers, there remains (\$76,932,018) as the amount of unfunded accrued liability contributions.

**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 amount which, if applied for the average new 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 \$294.89 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 approximately 25 years following the valuation date. The annual accrued liability contribution determined on this basis is (\$6,964,735), or (\$193.77) per active member.
4. The following table summarizes the employer contributions which were determined by the June 30, 2004 valuation and are recommended for use.

**ANNUAL REQUIRED EMPLOYER CONTRIBUTIONS (ARC)  
FOR FISCAL YEAR ENDING JUNE 30, 2007**

<b>CONTRIBUTION</b>	<b>PER ACTIVE MEMBER</b>	<b>ANNUAL AMOUNT</b>
Normal	\$ 294.89	\$ 10,599,231
Accrued Liability	<u>(193.77)</u>	<u>(6,964,735)</u>
Total	\$ 101.12	\$ 3,634,496

5. Schedule H shows the allocation of the annual required contribution for fiscal year 2006/2007 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, 2004**

GROUP	NUMBER
Retirees and beneficiaries currently receiving benefits	12,325
Terminated employees entitled to benefits but not yet receiving benefits	41,709
Active plan members	<u>35,943</u>
Total	89,977

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)
6/30/99	\$599,464	\$586,352	\$ (13,112)	102.2%	N/A	N/A
6/30/00	667,642	615,357	(52,285)	108.5	N/A	N/A
6/30/01	708,391	613,347	(95,044)	115.5	N/A	N/A
6/30/02	727,529	630,295	(97,234)	115.4	N/A	N/A
6/30/03	734,879	664,207	(70,672)	110.6	N/A	N/A
6/30/04	743,815	666,883	(76,932)	111.5	N/A	N/A

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

<u>Year Ending</u>	<u>Annual Required Contribution</u>	<u>Percent Contributed</u>
6/30/99	\$10,839	158%
6/30/00	9,789	184
6/30/01	12,874	132
6/30/02	11,623	100
6/30/03	4,121	86
6/30/04	833	100

4. Following is the calculation of the annual pension cost and net pension obligation for the fiscal year ending June 30, 2004.

**Annual Pension Cost and Net Pension Obligation for Fiscal Year Ending June 30, 2004**

(a) Employer annual required contribution	\$ 833,000
(b) Interest on net pension obligation	(1,354,000)
(c) Adjustment to annual required contribution	<u>(1,763,000)</u>
(d) Annual pension cost (a) + (b) – (c)	\$ 1,242,000
(e) Employer contributions made for fiscal year ending 6/30/04	<u>833,000</u>
(f) Increase (decrease) in net pension obligation (d) – (e)	\$ 409,000
(g) Net pension obligation beginning of fiscal year	<u>(18,674,000)</u>
(h) Net pension obligation end of fiscal year (f) + (g)	\$ (18,265,000)

**TREND INFORMATION**

(\$ in 1,000's)

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Of APC Contributed</u>	<u>Net Pension Obligation (NPO)</u>
June 30, 2002	\$11,721	99%	\$ (19,336)
June 30, 2003	4,217	84	(18,674)
June 30, 2004	1,242	67	(18,265)

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 (\$76,932,018) within a 25-year period from the valuation date.

**2006/2007 FISCAL YEAR  
ANNUAL REQUIRED CONTRIBUTION (ARC)  
BASED ON THE VALUATION AS OF JUNE 30, 2004**

ANNUAL REQUIRED CONTRIBUTION (ARC)	AMOUNT
Normal	\$ 10,599,231
Accrued Liability	<u>(6,964,735)</u>
Total	\$ 3,634,496

6. The information presented in the required supplementary schedules was determined as part of the actuarial valuation at June 30, 2004. Additional information as of the latest actuarial valuation follows.

Valuation date	6/30/04
Actuarial cost method	Entry age
Amortization method	Level dollar open
Remaining amortization period	25 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	4.00%

**SCHEDULE A - VALUATION BALANCE SHEET****RESULTS OF THE VALUATION AS OF JUNE 30, 2004  
SHOWING THE PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES  
OF THE GEORGIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM****ACTUARIAL LIABILITIES**

(1) Present value of prospective benefits payable on account of present retired members, beneficiaries of deceased members, and terminated members entitled to deferred benefits		\$ 393,196,639
(2) Present value of prospective benefits payable on account of present active members:		
Service retirement allowances	\$ 311,149,895	
Disability retirement allowances	16,019,551	
Refunds of members' contributions	<u>5,013,617</u>	
Total		\$ <u>332,183,063</u>
(3) TOTAL ACTUARIAL LIABILITIES		\$ <u>725,379,702</u>

**PRESENT AND PROSPECTIVE ASSETS**

(4) Actuarial value of assets		\$ 743,815,000
(5) Present value of total future contributions = (3) - (4)	(18,435,298)	
(6) Present value of future member contributions to the Members' Contributions Fund		6,364,296
(7) Present value of future employer contributions to the Pension Accumulation Fund = (5) - (6)	\$ (24,799,594)	
(8) Employer normal contribution rate	\$ 294.89	
(9) Present value of future membership service	176,786	
(10) Prospective normal contributions = (8) x (9)		52,132,424
(11) Prospective unfunded accrued liability contributions = (7) - (10)		<u>(76,932,018)</u>
(12) TOTAL PRESENT AND PROSPECTIVE ASSETS		\$ <u>725,379,702</u>

**SCHEDULE B****DEVELOPMENT OF JUNE 30, 2004 ACTUARIAL VALUE OF ASSETS**  
(All dollar amounts are \$1,000's)

(1)	Actuarial Value of Assets on June 30, 2003	\$ 734,879
(2)	2003/2004 Net Cash Flow	
	a. Contributions	2,153
	b. Disbursements	<u>39,940</u>
	c. Net Cash Flow	
	(2)a - (2)b	(37,787)
(3)	Expected Investment Return [(1) x .0725] + [(2)c x .03625]	51,909
(4)	Expected Actuarial Value of Assets on June 30, 2004 (1) + (2)c + (3)	749,001
(5)	Market Value of Assets on June 30, 2004	723,071
(6)	Excess of Market Value over Expected Actuarial Value (5) - (4)	(25,930)
(7)	20% Adjustment towards Market .20 x (6)	(5,186)
(8)	Actuarial Value of Assets on June 30, 2004 (4) + (7)	\$ 743,815

**SCHEDULE C****SUMMARY OF RECEIPTS AND DISBURSEMENTS  
(MARKET VALUE)**

	YEAR ENDING	
	June 30, 2004 (\$ thousand)	June 30, 2003 (\$ thousand)
<u>Receipts for the Year</u>		
Contributions:		
Members	\$ 1,317	\$ 1,298
Employers	<u>836</u>	<u>3,555</u>
Total	\$ 2,153	\$ 4,853
Net investment income	66,149	29,649
Administrative expense allotment	<u>588</u>	<u>594</u>
TOTAL	\$ 68,890	\$ 35,096
 <u>Disbursements for the Year</u>		
Retirement allowances	\$ 39,646	\$ 37,021
Refunds to members	294	233
Administrative expense	<u>588</u>	<u>594</u>
TOTAL	\$ 40,528	\$ 37,848
 <u>Excess of Receipts over Disbursements</u>	\$ 28,362	\$ (2,752)
 <u>Reconciliation of Asset Balances – Market Value</u>		
Asset Balance as of the Beginning of the Year	\$ 694,709	\$ 697,461
Excess of Receipts over Disbursements	<u>28,362</u>	<u>(2,752)</u>
Asset Balance as of the End of Year	<u>\$ 723,071</u>	<u>\$ 694,709</u>

**SCHEDULE D****OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS**

Adopted by the Board June 20, 2002, 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**

<u>Age</u>	<u>Years of Service</u>		
	<u>0-4</u>	<u>5-9</u>	<u>10 &amp; Over</u>
<u>Males</u>			
20	36.0%	20.0%	15.0%
25	32.0	13.2	10.0
30	29.0	12.5	8.6
35	26.0	11.5	7.0
40	25.0	10.5	6.0
45	21.0	9.5	5.5
50	19.0	8.5	5.5
55	17.0	7.0	5.0
<u>Females</u>			
20	36.0%	15.0%	15.0%
25	25.0	12.5	10.0
30	21.0	11.6	8.5
35	18.0	10.2	8.0
40	17.5	8.6	7.0
45	17.0	7.5	5.5
50	16.5	6.6	5.5
55	15.0	6.0	4.0

**Annual Rates of**

<u>Age</u>	<u>Death</u>		<u>Disability</u>
	<u>Males</u>	<u>Females</u>	
	20	0.06%	0.03%
25	0.08	0.03	0.00
30	0.09	0.04	0.00
35	0.09	0.05	0.01
40	0.14	0.08	0.02
45	0.21	0.10	0.10
50	0.36	0.16	0.25
55	0.63	0.26	0.67
60	1.15	0.51	1.00
65	1.99	0.97	0.00

**SERVICE RETIREMENT:**

<u>Age</u>	<u>Annual Rate</u>	<u>Age</u>	<u>Annual Rate</u>
60	15%	66	25%
61	15	67	25
62	30	68	25
63	20	69	25
64	20	70 & over	100
65	35		

**DEATHS AFTER RETIREMENT:** The 1994 Group Annuity Table set forward three years for males and set forward one year for females is used for the period after service retirement and for beneficiaries of deceased members. The 1994 Group Annuity Table set forward 10 years 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:

<u>Age</u>	<u>Males</u>	<u>Females</u>	<u>Age</u>	<u>Males</u>	<u>Females</u>
40	0.135%	0.077%	65	1.986%	0.969%
45	0.210	0.103	70	3.120	1.495
50	0.358	0.157	75	5.021	2.533
55	0.630	0.256	80	8.251	4.395
60	1.147	0.509	85	12.698	7.535

**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 and beneficiaries 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 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 new 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 accrued liability is determined by subtracting the present value of prospective employer normal contributions and member contributions, together with the current actuarial value of assets held, 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**

<b>Eligibility</b>	Age 65 and 10 years of creditable service.
<b>Benefit</b>	Monthly benefit is \$13.50 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**

<b>Eligibility</b>	Age 60 and 10 years of creditable service.
<b>Benefit</b>	Accrued benefit reduced by 6% for each year member is under age 65.

**Disability Retirement Benefit**

<b>Eligibility</b>	15 years of service.
<b>Benefit</b>	Accrued benefit payable immediately.

**Deferred Vested  
Retirement Benefit**

<b>Eligibility</b>	10 years of service. Member contributions not withdrawn.
<b>Benefit</b>	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

TABLE 1

THE NUMBER OF MEMBERS DISTRIBUTED BY  
AGE AS OF JUNE 30, 2004

AGE	MEN	WOMEN
17		1
18	1	
19	8	1
20	22	11
21	32	24
22	51	26
23	46	43
24	63	79
25	55	83
26	61	109
27	61	120
28	51	161
29	81	147
30	83	192
31	95	281
32	111	389
33	111	426
34	128	459
35	129	476
36	136	530
37	135	607
38	200	696
39	194	699
40	203	807
41	242	783
42	241	898
43	259	888
44	267	895
45	236	842
46	271	803
47	276	816
48	285	821
49	286	804
50	239	755
51	272	767
52	276	752
53	240	740
54	302	757
55	301	740
56	306	769

TABLE 1

THE NUMBER OF MEMBERS DISTRIBUTED BY  
AGE AS OF JUNE 30, 2004

AGE	MEN	WOMEN
57	351	784
58	278	708
59	300	639
60	279	636
61	287	619
62	278	543
63	282	455
64	230	408
65	230	341
66	180	284
67	194	235
68	196	182
69	161	173
70	117	137
71	115	95
72	95	86
73	77	63
74	58	35
75	47	26
76	39	25
77	19	19
78	17	12
79	6	9
80	14	8
81	8	
82	1	2
83	1	2
84	1	
85	1	
86		2
TOTAL	10,218	25,725

TABLE 2

**THE NUMBER OF MEMBERS DISTRIBUTED BY  
YEARS OF CREDITED SERVICE AS OF JUNE 30, 2004**

YEARS OF SERVICE	MEN	WOMEN
0	369	579
1	1,372	2,747
2	1,178	2,565
3	1,034	2,641
4	787	2,274
5	738	2,025
6	497	1,587
7	447	1,233
8	443	1,170
9	372	1,051
10	333	935
11	288	672
12	240	617
13	207	502
14	207	560
15	210	601
16	173	519
17	162	454
18	119	398
19	109	364
20	110	276
21	77	209
22	91	199
23	97	188
24	74	217
25	72	205
26	59	171
27	53	131
28	51	115
29	57	110
30	25	73
31	34	98
32	17	71
33	27	50
34	16	25
35	10	23
36	15	15
37	8	16
38	14	13
39	8	12

TABLE 2

THE NUMBER OF MEMBERS DISTRIBUTED BY  
YEARS OF CREDITED SERVICE AS OF JUNE 30, 2004

YEARS OF SERVICE	MEN	WOMEN
40	7	3
41	1	2
42	4	2
43	1	
44	1	1
45	1	1
46		3
47	1	
48	1	1
49		1
53	1	
TOTAL	10,218	25,725

TABLE 3

**THE DISTRIBUTION OF THE NUMBER AND ANNUAL  
RETIREMENT ALLOWANCES OF RETIREES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004**

**MEMBERS OF THE RETIREMENT SYSTEM**

**SERVICE RETIREMENTS**

AGE	NUMBER	MEN		WOMEN	
		AMOUNT	NUMBER	AMOUNT	NUMBER
60	6	\$ 13,393	29	\$ 54,790	
61	24	48,692	118	248,090	
62	51	109,428	166	375,933	
63	52	115,425	227	572,892	
64	65	156,186	250	640,931	
65	102	256,943	261	733,521	
66	102	286,333	367	1,015,262	
67	106	322,716	356	1,030,346	
68	106	290,571	349	1,031,394	
69	138	382,056	362	1,111,964	
70	144	402,835	377	1,173,605	
71	127	395,816	340	1,071,579	
72	125	376,757	352	1,159,382	
73	146	473,519	375	1,208,137	
74	148	443,985	325	1,109,535	
75	137	458,548	309	1,083,178	
76	119	412,947	274	957,589	
77	116	435,493	297	1,053,683	
78	121	429,210	276	1,017,317	
79	101	355,329	280	1,019,856	
80	100	330,439	236	803,246	
81	98	361,072	218	803,601	
82	71	268,507	253	957,278	
83	73	274,838	182	732,406	
84	69	282,558	212	810,228	
85	57	211,777	199	734,916	
86	65	231,614	149	546,173	
87	41	157,301	118	445,687	
88	37	152,817	120	460,512	
89	25	87,593	105	378,844	
90	23	93,731	90	360,396	
91	13	57,435	79	293,622	
92	17	64,726	62	236,349	

TABLE 3

**THE DISTRIBUTION OF THE NUMBER AND ANNUAL  
RETIREMENT ALLOWANCES OF RETIREES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004**

**MEMBERS OF THE RETIREMENT SYSTEM**

**SERVICE RETIREMENTS**

CONTINUED

AGE	NUMBER	MEN		WOMEN	
		AMOUNT	NUMBER	AMOUNT	NUMBER
93	9	\$ 30,340	31	\$ 118,320	
94	8	31,742	36	123,145	
95	6	25,890	17	71,875	
96	6	26,374	19	70,835	
97	5	17,871	10	39,879	
98	3	10,670	10	39,496	
99			4	21,495	
100	1	2,451	5	15,726	
101	1	5,310	2	8,195	
103			1	3,600	
<b>TOTAL</b>	<b>2,764</b>	<b>\$ 8,891,238</b>	<b>7,848</b>	<b>\$ 25,744,808</b>	

TABLE 4

THE DISTRIBUTION OF THE NUMBER AND ANNUAL  
RETIREMENT ALLOWANCES OF RETIREES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004

## MEMBERS OF THE RETIREMENT SYSTEM

## DISABILITY RETIREMENTS

AGE	NUMBER	MEN		WOMEN	
		AMOUNT	NUMBER	AMOUNT	NUMBER
42	1	\$ 2,940			
43	1	3,518			
44	1	3,839	1	\$ 2,980	
45	4	14,650			
46			5		16,087
47	5	17,484	2		6,089
48	3	10,456	3		9,942
49	6	21,528	6		19,777
50			3		10,115
51	5	14,912	11		34,427
52	7	26,226	6		22,708
53	6	23,345	9		29,503
54	6	22,092	14		53,780
55	6	25,795	20		74,941
56	3	9,248	13		44,746
57	6	24,782	29		103,130
58	6	21,696	26		97,162
59	11	44,184	23		89,567
60	8	29,406	43		175,159
61	14	51,543	49		188,821
62	10	41,868	60		242,163
63	11	40,455	46		185,223
64	12	55,996	39		150,704
65	11	38,638	43		177,152
66	15	65,654	42		178,360
67	8	37,039	42		188,535
68	12	46,246	30		129,552
69	11	41,329	26		104,092
70	6	25,250	29		124,593
71	6	22,125	19		80,096
72	8	34,301	25		112,536
73	7	26,812	12		48,012
74	6	24,929	19		92,011
75	1	3,417	12		60,589
76	3	21,519	15		68,489
77	2	11,614	9		41,062
78	7	42,026	4		16,721
79	3	16,225	2		11,080

TABLE 4

THE DISTRIBUTION OF THE NUMBER AND ANNUAL  
RETIREMENT ALLOWANCES OF RETIREES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004

## MEMBERS OF THE RETIREMENT SYSTEM

## DISABILITY RETIREMENTS

## CONTINUED

AGE	NUMBER	MEN		WOMEN	
		AMOUNT	NUMBER	AMOUNT	NUMBER
80	1	\$ 3,446	9	\$ 39,594	
81	1	5,361	6	25,555	
82	3	14,264	4	21,980	
83	2	10,129	4	19,301	
84	2	11,004	8	35,484	
85	2	8,527	2	9,905	
86	1	3,446	5	21,573	
87			5	23,921	
89			4	20,220	
90			2	10,748	
91			1	5,310	
92			1	5,055	
TOTAL	250	\$ 1,019,264	788	\$ 3,228,550	

TABLE 5

**THE DISTRIBUTION OF THE NUMBER AND ANNUAL  
RETIREMENT ALLOWANCES OF RETIREES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004**

**BENEFICIARIES OF DECEASED  
ACTIVE AND RETIRED MEMBERS  
OF THE RETIREMENT SYSTEM**

AGE	NUMBER	MEN		WOMEN	
		AMOUNT	NUMBER	AMOUNT	NUMBER
19	3	\$ 4,031	1	\$ 1,137	
20			1	1,123	
22	2	7,015	1	1,696	
23	1	2,551	1	1,159	
24			2	3,175	
25	1	1,573	2	2,553	
27			2	2,839	
28			1	878	
29	3	5,408	3	3,663	
30	2	3,820	1	2,892	
31	3	5,765	3	2,823	
32	2	2,208	5	6,402	
33	2	6,815	6	12,441	
34	1	5,939	2	3,288	
35	1	3,354	4	10,180	
36	1	2,080	3	3,750	
37	4	5,738	3	4,502	
38	4	4,530	6	11,082	
39	3	4,095	6	9,361	
40	2	4,755	8	13,226	
41	2	2,120	5	8,878	
42	3	6,206	5	11,587	
43	2	2,389	10	11,119	
44	2	3,683	3	4,410	
45	2	6,343	12	26,622	
46	4	6,451	5	9,037	
47	7	8,024	8	12,065	
48	8	13,554	8	14,525	
49	5	11,084	8	11,471	
50	4	11,499	11	17,656	
51	4	7,365	6	12,864	
52	3	2,768	6	13,001	
53	1	1,066	6	7,776	
54	4	8,612	8	12,377	
55	3	3,096	6	8,963	
56			7	13,592	

TABLE 5

**THE DISTRIBUTION OF THE NUMBER AND ANNUAL  
RETIREMENT ALLOWANCES OF RETIREES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004**

**BENEFICIARIES OF DECEASED  
ACTIVE AND RETIRED MEMBERS  
OF THE RETIREMENT SYSTEM**

CONTINUED

AGE	NUMBER	MEN		WOMEN	
		AMOUNT	NUMBER	AMOUNT	NUMBER
57	3	\$ 3,101	8	\$ 14,829	
58	6	12,926	6	16,469	
59	3	6,992	4	8,177	
60	4	5,568	12	21,458	
61			6	12,367	
62	1	1,529	6	10,198	
63	6	10,309	9	16,675	
64	3	4,424	9	20,425	
65	1	966	9	24,487	
66	4	5,909	6	13,744	
67	2	4,085	7	10,954	
68	2	5,545	10	27,792	
69	2	2,637	12	35,253	
70	2	4,551	13	36,534	
71	9	15,145	9	17,570	
72	2	2,947	8	20,490	
73	1	1,006	12	22,857	
74	3	3,635	13	26,592	
75	2	2,165	14	43,678	
76	5	10,584	17	38,711	
77	2	7,338	16	35,208	
78			14	36,219	
79	1	1,146	11	27,390	
80			13	38,062	
81	1	1,598	10	27,285	
82			11	29,121	
83			10	21,945	
84	2	1,661	7	21,053	
85	1	1,558	11	30,372	
86			6	17,093	
87	1	5,299	6	7,867	
88			6	13,012	
89			3	5,097	
90			8	17,292	

TABLE 5

THE DISTRIBUTION OF THE NUMBER AND ANNUAL  
RETIREMENT ALLOWANCES OF RETIREES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2004

BENEFICIARIES OF DECEASED  
ACTIVE AND RETIRED MEMBERS  
OF THE RETIREMENT SYSTEM

CONTINUED

AGE	NUMBER	MEN	AMOUNT	NUMBER	WOMEN	AMOUNT
91				2	\$	3,694
92				1		936
93	2	\$	2,219	15		22,844
94				1		3,089
95				1		2,215
TOTAL	160	\$	288,780	515	\$	1,093,172

SCHEDULE H  
 ALLOCATION OF  
 ANNUAL REQUIRED CONTRIBUTION BY SCHOOL SYSTEM  
 AS OF JUNE 30, 2004

SYSTEM NUMBER	SYSTEM NAME	CONTRIBUTION AMOUNT
1	APPLING	\$ 6,876
2	ATKINSON	4,651
3	BACON	6,168
4	BAKER	2,022
5	BALDWIN	13,651
6	BANKS	8,191
7	BARROW	27,706
8	BARTOW	35,088
9	BEN HILL	8,191
10	BERRIEN	8,696
11	BIBB	62,896
12	BLECKLEY	7,483
13	BRANTLEY	9,101
14	BROOKS	7,786
15	BRYAN	13,348
16	BULLOCH	26,999
17	BURKE	17,190
18	BUTTS	12,336
19	CALHOUN	2,629
20	CAMDEN	24,471
21	CANDLER	5,663
22	CARROLL	42,874
23	CATOOSA	26,392
24	CHARLTON	4,854
25	CHATHAM	56,222
26	CHATTAHOOCHEE	1,618
27	CHATTOOGA	7,988
28	CHEROKEE	71,288
29	CLARKE	44,492
30	CLAY	1,517
31	CLAYTON	131,252
32	CLINCH	4,045
33	COBB	237,729
34	COFFEE	19,314
35	COLQUITT	23,864
36	COLUMBIA	55,312
37	COOK	9,000
38	COWETA	57,941
39	CRAWFORD	6,269
40	CRISP	14,662
41	DADE	6,472
42	DAWSON	10,314
43	DECATUR	15,572
44	DEKALB	219,427
45	DODGE	9,808

**ALLOCATION OF  
ANNUAL REQUIRED CONTRIBUTION BY SCHOOL SYSTEM  
AS OF JUNE 30, 2004**

SYSTEM NUMBER	SYSTEM NAME	CONTRIBUTION AMOUNT
46	DOOLY	\$ 5,966
47	DOUGHERTY	57,031
48	DOUGLAS	51,570
49	EARLY	7,685
50	ECHOLS	2,225
51	EFFINGHAM	25,583
52	ELBERT	10,719
53	EMANUEL	13,449
54	EVANS	5,258
55	FANNIN	9,707
56	FAYETTE	51,671
57	FLOYD	21,235
58	FORSYTH	62,693
59	FRANKLIN	10,213
61	GILMER	10,820
62	GLASCOCK	2,326
63	GLYNN	31,347
64	GORDON	16,381
65	GRADY	11,123
66	GREENE	7,078
67	GWINNETT	279,592
68	HABERSHAM	15,168
69	HALL	67,041
70	HANCOCK	6,168
71	HARALSON	10,415
72	HARRIS	15,876
73	HART	12,640
74	HEARD	5,359
75	HENRY	70,075
76	HOUSTON	59,862
77	IRWIN	3,944
78	JACKSON	18,707
79	JASPER	5,359
80	JEFF DAVIS	7,483
81	JEFFERSON	10,011
82	JENKINS	4,550
83	JOHNSON	4,550
84	JONES	12,640
85	LAMAR	7,584
86	LANIER	3,640
87	LAURENS	15,471
88	LEE	15,168
89	LIBERTY	31,448
90	LINCOLN	5,764
91	LONG	6,573
92	LOWNDES	28,718

ALLOCATION OF  
ANNUAL REQUIRED CONTRIBUTION BY SCHOOL SYSTEM  
AS OF JUNE 30, 2004

SYSTEM NUMBER	SYSTEM NAME	CONTRIBUTION AMOUNT
93	LUMPKIN	\$ 11,123
94	MACON	8,393
95	MADISON	14,460
96	MARION	4,651
97	MCDUFFIE	11,426
98	MCINTOSH	5,157
99	MERIWETHER	13,954
100	MILLER	3,741
101	MITCHELL	6,775
102	MONROE	12,134
103	MONTGOMERY	3,135
104	MORGAN	8,089
105	MURRAY	18,201
106	MUSCOGEE	99,703
107	NEWTON	39,133
108	OCONEE	16,381
109	OGLETHORPE	4,955
110	PAULDING	54,098
111	PEACH	12,842
112	PICKENS	15,269
113	PIERCE	8,494
114	PIKE	8,292
115	POLK	16,482
116	PULASKI	4,449
117	PUTNAM	11,123
118	QUITMAN	1,112
119	RABUN	7,483
120	RANDOLPH	5,359
121	RICHMOND	97,680
122	ROCKDALE	43,279
123	SCHLEY	2,022
124	SCREVEN	8,494
125	SEMINOLE	4,348
126	SPALDING	34,582
127	STEPHENS	13,247
128	STEWART	2,932
129	SUMTER	16,988
130	TALBOT	2,629
131	TALIAFERRO	1,213
132	TATTNALL	10,415
133	TAYLOR	5,359
134	TELFAIR	4,753
135	TERRELL	4,854
136	THOMAS	11,426
137	TIFT	15,370
138	TOOMBS	8,191

**ALLOCATION OF  
ANNUAL REQUIRED CONTRIBUTION BY SCHOOL SYSTEM  
AS OF JUNE 30, 2004**

SYSTEM NUMBER	SYSTEM NAME	CONTRIBUTION AMOUNT
139	TOWNS	\$ 3,135
140	TREUTLEN	3,438
141	TROUP	39,638
142	TURNER	3,337
143	TWIGGS	6,168
144	UNION	7,887
145	UPSON	14,460
146	WALKER	27,201
147	WALTON	20,931
148	WARE	19,617
149	WARREN	3,236
150	WASHINGTON	8,595
151	WAYNE	15,774
152	WEBSTER	2,022
153	WHEELER	3,236
154	WHITE	8,595
155	WHITFIELD	33,976
156	WILCOX	3,944
157	WILKES	6,674
158	WILKINSON	5,460
159	WORTH	11,730
205	BREMEN	3,034
206	BUFORD	5,663
207	CALHOUN	5,359
209	CARROLLTON	9,808
210	CARTERSVILLE	6,775
212	CHICKAMAUGA	2,326
214	COMMERCE	2,831
216	DALTON	9,707
217	DECATUR	6,472
219	DUBLIN	6,370
221	GAINESVILLE	9,707
224	JEFFERSON	3,741
226	MARIETTA	20,729
230	PELHAM	2,427
232	ROME	7,483
247	SOCIAL CIRCLE	3,539
236	THOMASVILLE	5,966
239	TRION	2,629
240	VALDOSTA	19,516
241	VIDALIA	5,663
	GEORGIA MILITARY COLLEGE	4,247
	<b>TOTAL</b>	<b>\$ 3,634,496</b>