



**Cavanaugh Macdonald**  
CONSULTING, LLC

*The experience and dedication you deserve*



**EMPLOYEES'**  
**RETIREMENT SYSTEM**  
OF GEORGIA

**GASB STATEMENT NO. 68 REPORT**  
**FOR THE**  
**GEORGIA JUDICIAL RETIREMENT SYSTEM**  
**PREPARED AS OF JUNE 30, 2018**





# Cavanaugh Macdonald

CONSULTING, LLC

*The experience and dedication you deserve*

May 9, 2019

Board of Trustees  
Georgia Judicial Retirement System  
Suite 100, Two Northside 75  
Atlanta, GA 30318

Ladies and Gentlemen:

Presented in this report is information to assist the Georgia Judicial Retirement System (JRS) in meeting the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 68 and to identify the information to be provided by the actuary, Cavanaugh Macdonald Consulting (CMC). The information is presented for the period ending June 30, 2018 (the Measurement Date).

GASB Statement Number 68 established accounting and financial reporting requirements for governmental employers that provide pension benefits to their employees through a trust.

The annual actuarial valuation used as a basis for much of the information presented in this report, including the Net Pension Liability, was performed as of June 30, 2017. The valuation was based upon data, furnished by the Retirement System staff, for active, inactive and retired members along with pertinent financial information.

The actuarial calculations were performed by qualified actuaries according to generally accepted actuarial procedures and methods. The calculations are based on the current provisions of the System, and on actuarial assumptions that are internally consistent and individually reasonable based on the actual experience of the System. In addition, the calculations were completed in compliance with the laws governing the System and, in our opinion, meet the requirements of GASB 68. The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Board of Trustees  
May 9, 2019  
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These results are only for financial reporting and may not be appropriate for funding purposes or other types of analysis. Calculations for purposes other than satisfying the requirements of GASB 67 and GASB 68 may produce significantly different results. Future actuarial results may differ significantly from the current results presented in this report due to such factors as changes in plan experience or changes in economic or demographic assumptions.

Sincerely yours,

A handwritten signature in blue ink that reads 'Edward J. Koebel'.

Edward J. Koebel, ASA, FCA, MAAA  
Principal and Consulting Actuary

A handwritten signature in blue ink that reads 'Cathy Turcot'.

Cathy Turcot  
Principal and Managing Director

A handwritten signature in blue ink that reads 'Ben Mobley'.

Ben Mobley, ASA, FCA, MAAA  
Senior Actuary



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**REPORT OF THE ANNUAL GASB STATEMENT NO. 68  
REQUIRED INFORMATION FOR THE  
EMPLOYERS PARTICIPATING IN THE GEORGIA JUDICIAL RETIREMENT SYSTEM**

**PREPARED AS OF JUNE 30, 2018**

**SECTION I – INTRODUCTION**

The Governmental Accounting Standards Board issued Statement No. 68 (GASB 68), “*Accounting and Financial Reporting For Pensions*” in June 2012. The Georgia Judicial Retirement System (JRS) is a cost-sharing multiple employer defined benefit pension plan.

This report, prepared as of June 30, 2018 (the Measurement Date), presents information to assist the employers participating in JRS in meeting the requirements of GASB 68 for the fiscal year ending June 30, 2019 (Reporting Date). Much of the material provided in this report is based on the data, assumptions and results of the annual actuarial valuation of JRS as of June 30, 2017. The results of that valuation were detailed in a report dated April 19, 2018.

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation. In addition, based on the Board’s new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 Measurement Date. Therefore, an assumption change from 7.50% to 7.30% was reflected in the calculation of the Total Pension Liability.

The NPL shown in the GASB Statement No. 67 Report for the Georgia Judicial Retirement System Prepared as of June 30, 2018 and submitted September 5, 2018 is the collective NPL used for purposes of GASB 68. Please refer to that report for the derivation of the collective NPL.

Pension Expense (PE) includes amounts for service cost (the normal cost under the Entry Age Normal actuarial cost method for the year), interest on the Total Pension Liability (TPL), changes in benefit structure, amortization of increases/decreases in liability due to actuarial experience and actuarial assumption changes, and amortization of investment gains/losses. The actuarial experience and assumption change impacts are amortized over the average expected remaining service life of the Plan membership as of the Measurement Date, and investment gains/losses are amortized over five years. The development of the collective PE is shown in Section IV.

The unamortized portions of each year’s experience, assumption changes and investment gains/losses are used to develop deferred inflows and outflows, which also must be included in the employer’s and non-employer contributing entities’ financial statements. The development of the collective deferred inflows and outflows is shown in Section III.

These collective amounts have been allocated based on employer contributions made to JRS during the measurement period to determine the proportionate share associated with each participating employer. The State makes contributions to JRS for its employees and also on behalf of employees of the participating county employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB 68 and the State is treated as a non-employer contributing entity in JRS. Since the counties do not contribute directly to the JRS, there is no NPL or deferred inflows or outflows to report in the financial statements of the counties, However, the notes to the financial statements must disclose the portion of the



non-employer contributing entities' total proportionate share of the collective NPL that is associated with the employer. In addition, each county must recognize the total PE associated with the county as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective PE associated with the county.

Schedule A of this report shows the amount of employer contributions from the State as support provided to each county employer and the amount of actual contributions from each State employer for the years ending June 30, 2017 and June 30, 2018. Schedule A also shows the proportionate share percentages that have been determined based on these contributions.

Based on these percentages we have determined the proportionate share amounts of the NPL, PE and Deferred Inflows and Deferred Outflows associated with each participating employer. These amounts are shown in Schedule B.

Section II of this report is a summary of the principal results of the collective amounts under GASB 68. Section III provides the results of all the necessary calculations, presented in the order laid out in GASB 68 for note disclosure and Section V shows the Required Supplementary Information (RSI).



**SECTION II - SUMMARY OF COLLECTIVE AMOUNTS**  
**(\$ IN THOUSANDS)**

	<b>2018</b>
<b>Valuation Date (VD):</b>	June 30, 2017
<b>Measurement Date (MD):</b>	June 30, 2018
<b>Reporting Date (RD):</b>	June 30, 2019
<b>Single Equivalent Interest Rate (SEIR):</b>	
Long-Term Expected Rate of Return	7.30%
Municipal Bond Index Rate at Measurement Date	3.89%
Fiscal Year in which Plan's Fiduciary Net Position is projected to be depleted from future benefit payments for current members	N/A
Single Equivalent Interest Rate	7.30%
<b>Net Pension Liability:</b>	
Total Pension Liability (TPL)	\$ 428,624
Fiduciary Net Position (FNP)	<u>466,657</u>
Net Pension Liability (NPL = TPL – FNP)	\$ (38,033)
FNP as a percentage of TPL	108.87%
<b>Collective Pension Expense (PE):</b>	\$2,770
<b>Deferred Outflows of Resources:</b>	\$14,418
<b>Deferred Inflows of Resources:</b>	\$9,546



### **SECTION III – NOTES TO FINANCIAL STATEMENTS**

The material presented herein will follow the order presented in GASB 68. Paragraph numbers are provided for ease of reference. Amounts are shown in aggregate. Please refer to Schedule B of this report for the proportionate share of certain pension amounts as required by GASB 68.

**Paragraphs 77 and 78(a)-(f):** These paragraphs require information to be disclosed regarding the actuarial assumptions used to measure the TPL. Since the TPL as of June 30, 2017 was rolled-forward to the June 30, 2018 measurement date, and since we know that, based on the funding policy adopted by the Board on March 15, 2018, the investment rate of return assumption will be 7.30% in the June 30, 2018 valuation, the investment rate of return used in the roll-forward of the TPL is 7.30%. The complete set of actuarial assumptions utilized in developing the TPL are outlined in Schedule E. The TPL was determined by an actuarial valuation as of June 30, 2017, using the following key actuarial assumptions:

Inflation	2.75 percent
Salary increases, including inflation	4.50 percent
Investment Rate of Return	7.30 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward 2 years for both males and females for the period after retirement and for dependent beneficiaries. For the period after disability retirement, the RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB and set back 7 years for males and set forward 3 years for females is used. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:





Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed Income	30.00%	-0.50%
Domestic Stocks - Large Cap	37.20%	9.00%
Domestic Stocks - Mid Cap	3.40%	12.00%
Domestic Stocks - Small Cap	1.40%	13.50%
Int'l Stocks - Developed Mkt	17.80%	8.00%
Int'l Stocks - Emerging Mkt	5.20%	12.00%
Alternatives	5.00%	10.50%
Total	100.00%	

\*Net of inflation.

*Discount rate.* The discount rate used to measure the total pension liability was 7.30 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Paragraph 78(g):** This paragraph requires disclosure of the sensitivity of the NPL to changes in the discount rate. The following presents the NPL of the System, calculated using the discount rate of 7.30 percent, as well as what the System's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.30 percent) or 1-percentage-point higher (8.30 percent) than the current rate (\$ thousands):

	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
System's Net Pension Liability	\$2,446	\$(38,033)	\$(73,292)

**Paragraph 80(a):** This paragraph requires disclosure of the employer's proportionate share of the collective NPL and if an employer has a special funding situation the portion of the non-employer contributing entities' proportional share of the collective NPL that is associated with the employer. These amounts are shown in Schedule B.

**Paragraph 80(b):** This paragraph requires disclosure of the employer's proportion (percentage) of the collective NPL and the changes in proportion since the prior measurement date. 100% of the collective NPL is allocated to the State.

**Paragraph 80(c):** June 30, 2017 is the actuarial valuation date upon which the TPL is based. An expected TPL is determined as of June 30, 2018 using standard roll forward techniques. The procedure used to



determine the TPL as of June 30, 2018 is shown on page 7 of the GASB 67 report for JRS submitted on September 5, 2018.

**Paragraph 80(d):** Since the previous measurement date, the investment rate of return assumption has been changed from 7.50% to 7.30%.

**Paragraph 80(e):** Since the previous measurement date, certain retired members and beneficiaries received a 2% cost of living increase effective July 1, 2017.

**Paragraph 80(f):** Not applicable.

**Paragraph 80(g):** Please see Section IV of this report for the development of the collective pension expense. The PE for each employer is shown in Schedule B.

**Paragraph 80(h):** Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce collective pension expense they are labeled deferred inflows. If they will increase collective pension expense they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average expected remaining service life of the active and inactive Plan members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five year period.

The table below provides a summary of the collective deferred inflows and outflows as of the Measurement Date. The allocation of the collective deferred inflows and outflows is provided in Schedule B.

	Collective Deferred Outflows of Resources (\$ thousands)	Collective Deferred Inflows of Resources (\$ thousands)
Differences between expected and actual experience	\$8,388	\$3,112
Changes of actuarial assumptions	6,030	1,914
Net difference between projected and actual earnings on plan investments	<u>0</u>	<u>4,520</u>
Total	<u>\$14,418</u>	<u>\$9,546</u>

The following tables show the components of the collective deferred outflows of resources and the collective deferred inflows of resources by year.



**Collective Deferred Outflows and Inflows for Differences between Expected and Actual Experience (\$ thousands)**

<b>Year</b>	<b>Initial Balance of Losses / Deferred Outflow</b>	<b>Initial Balance of Gains / Deferred Inflow</b>	<b>Amortization Period</b>	<b>Beginning Balance Deferred Outflows (a)</b>	<b>Beginning Balance Deferred Inflows (b)</b>	<b>Losses / Deferred Outflows (c)</b>	<b>Gains / Deferred Inflows (d)</b>	<b>Amounts Recognized in Pension Expense / Deferred Outflow (e)</b>	<b>Amounts Recognized in Pension Expense / Deferred Inflow (f)</b>	<b>Ending Balance Deferred Outflows (a) + (c) - (e)</b>	<b>Ending Balance Deferred Inflows (b) + (d) - (f)</b>
2018	\$6,379	\$0	5.2	\$0	\$0	\$6,379	\$0	\$1,227	\$0	\$5,152	\$0
2017	5,258	0	5.2	4,247	0	0	0	1,011	0	3,236	0
2016	0	3,603	5.4	0	2,269	0	0	0	667	0	1,602
2015	0	7,542	5.0	0	3,018	0	0	0	1,508	0	1,510
2014	0	0	5.1	0	0	0	0	0	0	0	0
<b>Total</b>				<u>\$4,247</u>	<u>\$5,287</u>	<u>\$6,379</u>	<u>\$0</u>			<u>\$8,388</u>	<u>\$3,112</u>



**Collective Deferred Outflows and Inflows for Differences from Assumption Changes (\$ thousands)**

<b>Year</b>	<b>Initial Balance of Losses / Deferred Outflow</b>	<b>Initial Balance of Gains / Deferred Inflow</b>	<b>Amortization Period</b>	<b>Beginning Balance Deferred Outflows (a)</b>	<b>Beginning Balance Deferred Inflows (b)</b>	<b>Losses / Deferred Outflows (c)</b>	<b>Gains / Deferred Inflows (d)</b>	<b>Amounts Recognized in Pension Expense / Deferred Outflow (e)</b>	<b>Amounts Recognized in Pension Expense / Deferred Inflow (f)</b>	<b>Ending Balance Deferred Outflows (a) + (c) - (e)</b>	<b>Ending Balance Deferred Inflows (b) + (d) - (f)</b>
2018	\$7,466	\$0	5.2	\$0	\$0	\$7,466	\$0	\$1,436	\$0	\$6,030	\$0
2017	0	0	5.2	0	0	0	0	0	0	0	0
2016	0	4,308	5.4	0	2,712	0	0	0	798	0	1,914
2015	0	0	5.0	0	0	0	0	0	0	0	0
2014	0	0	5.1	0	0	0	0	0	0	0	0
<b>Total</b>				<u>\$0</u>	<u>\$2,712</u>	<u>\$7,466</u>	<u>\$0</u>			<u>\$6,030</u>	<u>\$1,914</u>



**Collective Deferred Outflows and Inflows for Differences in Investment Experience (\$ thousands)**

<b>Year</b>	<b>Initial Balance of Losses / Deferred Outflow</b>	<b>Initial Balance of Gains / Deferred Inflow</b>	<b>Amortization Period</b>	<b>Beginning Balance Deferred Outflows (a)</b>	<b>Beginning Balance Deferred Inflows (b)</b>	<b>Losses / Deferred Outflows (c)</b>	<b>Gains / Deferred Inflows (d)</b>	<b>Amounts Recognized in Pension Expense / Deferred Outflow (e)</b>	<b>Amounts Recognized in Pension Expense / Deferred Inflow (f)</b>	<b>Ending Balance Deferred Outflows (a) + (c) - (e)</b>	<b>Ending Balance Deferred Inflows (b) + (d) - (f)</b>
2018	\$0	\$7,328	5.0	\$0	\$0	\$0	\$7,328	\$0	\$1,466	\$0	\$5,862
2017	0	19,449	5.0	0	15,559	0	0	0	3,890	0	11,669
2016	25,050	0	5.0	15,030	0	0	0	5,010	0	10,020	0
2015	14,963	0	5.0	5,984	0	0	0	2,993	0	2,991	0
2014	0	34,037	5.0	0	6,809	0	0	0	6,809	0	0
<b>Total</b>				<u>\$21,014</u>	<u>\$22,368</u>	<u>\$0</u>	<u>\$7,328</u>			<u>\$13,011</u>	<u>\$17,531</u>
<b>Net difference between projected and actual earnings on investments</b>											\$4,520



Summary of Deferred Outflows and Inflows (\$ thousands)					
Year	Amortization Period	Beginning Balance	Additions	Deductions	Ending Balance
<b>Deferred Outflows of Resources:</b>					
Difference between expected and actual experience					
2018	5.2	\$0	\$6,379	\$1,227	\$5,152
2017	5.2	4,247	0	1,011	3,236
2016	5.4	0	0	0	0
2015	5.0	0	0	0	0
2014	5.1	0	0	0	0
Difference between expected and actual assumptions					
2018	5.2	\$0	\$7,466	\$1,436	\$6,030
2017	5.2	0	0	0	0
2016	5.4	0	0	0	0
2015	5.0	0	0	0	0
2014	5.1	0	0	0	0
Difference between projected and actual earnings					
2018	5.0	\$0	\$0	\$0	\$0
2017	5.0	0	0	0	0
2016	5.0	0	0	0	0
2015	5.0	0	0	0	0
2014	5.0	0	0	0	0
Subtotal					\$0
<b>Total Deferred Outflows of Resources</b>		<u>\$4,247</u>	<u>\$13,845</u>	<u>\$3,674</u>	<u>\$14,418</u>
<b>Deferred Inflows of Resources:</b>					
Difference between expected and actual experience					
2018	5.2	\$0	\$0	\$0	\$0
2017	5.2	0	0	0	0
2016	5.4	2,269	0	667	1,602
2015	5.0	3,018	0	1,508	1,510
2014	5.1	0	0	0	0
Difference between expected and actual assumptions					
2018	5.2	\$0	\$0	\$0	\$0
2017	5.2	0	0	0	0
2016	5.4	2,712	0	798	1,914
2015	5.0	0	0	0	0
2014	5.1	0	0	0	0
Difference between projected and actual earnings					
2018	5.0	\$0	\$7,328	\$1,466	\$5,862
2017	5.0	15,559	0	3,890	11,669
2016	5.0	(15,030)	0	(5,010)	(10,020)
2015	5.0	(5,984)	0	(2,993)	(2,991)
2014	5.0	6,809	0	6,809	0
Subtotal					\$4,520
<b>Total Deferred Inflows of Resources</b>		<u>\$9,353</u>	<u>\$7,328</u>	<u>\$7,135</u>	<u>\$9,546</u>



**Paragraph 80(i):** Collective amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the collective pension expense as follows. The allocation of the collective deferred inflows and outflows is provided in Schedule B.

<b>Deferred Amounts to be Recognized in Fiscal Years Following the Reporting Date (\$ thousands):</b>	
Year 1	\$3,344
Year 2	1,863
Year 3	(2,267)
Year 4	1,402
Year 5	530
Thereafter	0

**Paragraph 80(j):** The amount of revenue recognized for the support provided by non-employer contributing entities for the participating employers is provided in Schedule B.



#### **SECTION IV – COLLECTIVE PENSION EXPENSE**

As noted earlier, the collective Pension Expense (PE) consists of a number of different items. GASB 68 refers to the first as Service Cost which is the Normal Cost using the Entry Age Normal actuarial funding method. The second item is interest on the beginning Total Pension Liability (TPL) and the cash flow during the year at the 7.50% rate of return in effect as of the previous measurement date.

The next three items refer to any changes that occurred in the TPL due to:

- benefit changes, or
- actual versus expected experience, or
- changes in actuarial assumptions.

Benefit changes, which are reflected immediately in PE, can be positive, if there is a benefit improvement for existing Plan members, or negative if there is a benefit reduction. The increase in the NPL for a 2% cost-of-living adjustment granted to certain retired members and beneficiaries effective July 1, 2017 was recognized in the current Pension Expense.

The next item to be recognized is the portion of current year changes in TPL due to actual versus expected Plan experience for the year. The portion to recognize in the current year is determined by spreading the total change over the average expected remaining service life of the entire Plan membership determined at the beginning of the year. The average expected remaining service life of active members is the average number of years the active members are expected to remain active. For the year ended June 30, 2018 this number of years for the active members is 9.3. The average expected remaining service life of the inactive members is zero. Therefore, the number of years to use for the amortization is the weighted average for all active and inactive members, or 5.2 years.

The last item under changes in TPL are changes in actuarial assumptions. The portion to recognize in the current year is determined by spreading the total change over the average expected remaining service life of the entire Plan membership, or 5.2 years.

Member contributions for the year and projected earnings on the Fiduciary Net Position (FNP), again at the discount rate used to calculate the liabilities, are subtracted from the amount determined thus far. One-fifth of current period differences between projected and actual investment earnings on the FNP are recognized in the pension expense.

The current year portions of previously determined experience, assumption and earnings amounts, recognized as deferred outflows and inflows (see Section III) are included also. Deferred outflows are added to the PE while deferred inflows are subtracted from the PE. Finally, administrative expenses and other miscellaneous items are included.

The calculation of the Collective Pension Expense determined as of the measurement date is shown in the following table:





<b>Collective Pension Expense</b> <b>Determined as of the Measurement Date</b> <b>(\$ thousands)</b>	
Service Cost at end of year	\$13,019
Interest on the TPL and net cash flow	28,666
Current-period benefit changes	3,442
Expensed portion of current-period difference between expected and actual experience in the total pension liability	1,227
Expensed portion of current-period changes of assumptions	1,436
Member contributions	(4,910)
Projected earnings on plan investments	(32,549)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(1,466)
Administrative expense	794
Other	(2,231)
Recognition of beginning deferred outflows of resources as pension expense	1,011
Recognition of beginning deferred inflows of resources as pension expense	<u>(5,669)</u>
<b>Collective Pension Expense</b>	<b><u>\$2,770</u></b>



**SECTION V – REQUIRED SUPPLEMENTARY INFORMATION**

**Paragraph 82:**

**Changes of benefit terms.** Spouses’ benefits were changed for members joining the System on and after July 1, 2012. A 2% cost-of-living adjustment was granted to certain retired members and beneficiaries effective July 1, 2016. Two one-time payments were granted to certain retired members and beneficiaries payable in August 2018 and February 2019.

**Changes of assumptions.** In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. The expectation of retired life mortality was changed to the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB (set forward 2 years for both males and females).

On March 15, 2018, the Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for June 30, 2017 actuarial valuation. In addition, based on the Board’s new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 Measurement Date.

**Method and assumptions used in calculations of actuarially determined contributions.** The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported (June 30, 2018 employer contributions are based on June 30, 2015 valuation). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19.0 years
Asset valuation method	5-year smoothed market
Inflation	2.75 percent
Salary increase	4.50%, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation



**SCHEDULE A**

**Georgia Judicial Retirement System  
Schedule of Employer Allocations as of June 30, 2017 and June 30, 2018**

<b>Employer</b>	<b>2017 State Pension Support Provided to the Counties</b>	<b>2017 Employer Allocation Percentage</b>	<b>2018 State Pension Support Provided to the Counties</b>	<b>2018 Employer Allocation Percentage</b>
Appling County Board of Commissioners	\$ 13,866.24	0.220966%	\$ 11,114.89	0.256386%
Bacon County Board of Commissioners	3,332.34	0.053103%	1,748.58	0.040334%
Baldwin County Board of Commissioners	18,127.72	0.288875%	12,049.83	0.277952%
Bartow County Board of Commissioners	12,860.64	0.204941%	8,962.46	0.206736%
Bibb County Board of Commissioners	39,696.90	0.632591%	25,968.85	0.599021%
Brooks County Board of Commissioners	4,934.88	0.078640%	3,531.24	0.081455%
Bryan County Board of Commissioners	4,753.65	0.075752%	9,675.74	0.223190%
Bulloch County Board of Commissioners	25,816.12	0.411393%	18,345.18	0.423167%
Burke County Board of Commissioners	5,858.49	0.093358%	4,057.38	0.093591%
Camden County Board of Commissioners	10,621.14	0.169253%	8,490.91	0.195859%
Candler County Board of Commissioners	7,004.20	0.111616%	4,988.88	0.115078%
Carroll County Board of Commissioners	34,238.52	0.545609%	23,872.91	0.550675%
Catoosa County Board of Commissioners	24,320.79	0.387565%	18,658.62	0.430397%
Charlton County Board of Commissioners	6,889.97	0.109795%	5,186.32	0.119632%
Chatham County Board of Commissioners	82,819.38	1.319770%	54,146.20	1.248986%
Chattooga County Board of Commissioners	9,384.43	0.149546%	6,182.65	0.142615%
Cherokee County Board of Commissioners	79,395.58	1.265210%	55,609.74	1.282745%
Clarke County Board of Commissioners	49,390.44	0.787063%	33,897.60	0.781913%
Clayton County Board of Commissioners	122,354.59	1.949784%	82,680.22	1.907178%
Clinch County Board of Commissioners	2,227.02	0.035489%	-	0.000000%
Cobb County Board of Commissioners	238,856.20	3.806298%	165,796.69	3.824418%
Coffee County Board of Commissioners	14,864.54	0.236874%	10,352.31	0.238796%
Colquitt County Board of Commissioners	12,757.32	0.203295%	8,728.08	0.201330%



**SCHEDULE A (continued)**

<b>Employer</b>	<b>2017 State Pension Support Provided to the Counties</b>	<b>2017 Employer Allocation Percentage</b>	<b>2018 State Pension Support Provided to the Counties</b>	<b>2018 Employer Allocation Percentage</b>
Columbia County Board of Commissioners	\$ 41,527.08	0.661756%	\$ 28,635.21	0.660526%
Coweta County Board of Commissioners	49,796.10	0.793527%	34,930.33	0.805735%
Decatur County Board of Commissioners	15,372.87	0.244975%	7,462.20	0.172130%
Dekalb County Board of Commissioners	151,228.80	2.409910%	108,632.89	2.505826%
Dougherty County Board of Commissioners	27,336.60	0.435623%	18,040.24	0.416133%
Douglas County Board of Commissioners	52,688.59	0.839620%	34,871.53	0.804379%
Early County Board of Commissioners	3,723.06	0.059329%	2,610.66	0.060220%
Effingham County Board of Commissioners	21,370.68	0.340553%	14,620.92	0.337260%
Elbert County Board of Commissioners	8,174.40	0.130263%	5,592.72	0.129007%
Emanuel County Board of Commissioners	6,715.68	0.107018%	4,457.26	0.102815%
Evans County Board of Commissioners	9,117.60	0.145294%	6,406.74	0.147784%
Fayette County Board of Commissioners	25,235.16	0.402135%	17,818.74	0.411023%
Floyd County Board of Commissioners	11,760.00	0.187402%	8,952.91	0.206516%
Forsyth County Board of Commissioners	25,204.80	0.401652%	20,252.88	0.467172%
Fulton County Board of Commissioners	126,811.65	2.020810%	92,395.80	2.131287%
Glynn County Board of Commissioners	22,170.48	0.353298%	15,383.22	0.354844%
Gordon County Board of Commissioners	8,742.04	0.139309%	5,878.86	0.135607%
Grady County Board of Commissioners	7,836.52	0.124879%	8,485.89	0.195743%
Gwinnett County Board of Commissioners	105,860.16	1.686937%	74,146.08	1.710322%
Habersham County Board of Commissioners	30,211.44	0.481435%	21,816.01	0.503228%
Hall County Board of Commissioners	91,610.19	1.459856%	63,372.40	1.461806%
Haralson County Board of Commissioners	13,182.72	0.210074%	9,289.68	0.214284%
Henry County Board of Commissioners	66,162.60	1.054336%	42,596.06	0.982560%
Houston County Board of Commissioners	38,118.17	0.607433%	27,107.64	0.625290%
Jackson County Board of Commissioners	24,824.92	0.395598%	19,559.14	0.451169%
Jeff Davis County Board of Commissioners	12,790.92	0.203830%	8,839.79	0.203907%
Jefferson County Board of Commissioners	8,174.40	0.130263%	4,947.36	0.114120%
Jenkins County Board of Commissioners	4,132.68	0.065856%	3,268.40	0.075392%



SCHEDULE A (continued)

Employer	2017 State Pension Support Provided to the Counties	2017 Employer Allocation Percentage	2018 State Pension Support Provided to the Counties	2018 Employer Allocation Percentage
Lamar County Board of Commissioners	\$ 10,810.56	0.172272%	\$ 8,118.60	0.187271%
Lanier County Board of Commissioners	1,187.74	0.018927%	5,736.00	0.132312%
Liberty County Board of Commissioners	20,826.61	0.331883%	15,521.88	0.358042%
Long County Board of Commissioners	6,734.92	0.107324%	3,653.97	0.084286%
Lowndes County Board of Commissioners	47,598.24	0.758503%	31,609.10	0.729125%
Lumpkin County Board of Commissioners	-	0.000000%	-	0.000000%
Madison County Board of Commissioners	8,879.41	0.141498%	7,170.00	0.165390%
Mcduffie County Board of Commissioners	3,700.23	0.058965%	5,728.73	0.132144%
Mcintosh County Board of Commissioners	14,555.88	0.231956%	9,958.56	0.229713%
Meriwether County Board of Commissioners	5,783.70	0.092166%	4,297.22	0.099124%
Miller County Board of Commissioners	13,234.23	0.210894%	11,418.23	0.263383%
Mitchell County Board of Commissioners	14,165.32	0.225732%	12,181.57	0.280991%
Muscogee County Board of Commissioners	62,469.09	0.995478%	42,761.05	0.986366%
Newton County Board of Commissioners	11,188.50	0.178295%	8,612.36	0.198661%
Oconee County Board of Commissioners	1,330.12	0.021196%	3,585.00	0.082695%
Paulding County Board of Commissioners	11,204.44	0.178549%	8,820.87	0.203470%
Pickens County Board of Commissioners	14,510.77	0.231237%	12,861.22	0.296669%
Pierce County Board of Commissioners	8,970.36	0.142947%	6,305.91	0.145458%
Putnam County Board of Commissioners	11,742.84	0.187128%	8,227.62	0.189786%
Richmond County Board of Commissioners	97,138.99	1.547961%	62,860.63	1.450001%
Rockdale County Board of Commissioners	25,204.92	0.401654%	18,105.48	0.417638%
Screven County Board of Commissioners	5,776.21	0.092047%	3,915.24	0.090313%
Spalding County Board of Commissioners	22,530.06	0.359028%	19,098.66	0.440547%
Stephens County Board of Commissioners	5,753.81	0.091690%	4,408.68	0.101695%
Sumter County Board of Commissioners	14,792.49	0.235726%	10,574.84	0.243929%
Tattnall County Board of Commissioners	6,056.28	0.096510%	4,236.81	0.097730%
Thomas County Board of Commissioners	9,934.92	0.158318%	7,299.22	0.168371%
Tift County Board of Commissioners	32,862.30	0.523678%	25,409.33	0.586115%



**SCHEDULE A (continued)**

<b>Employer</b>	<b>2017 State Pension Support Provided to the Counties</b>	<b>2017 Employer Allocation Percentage</b>	<b>2018 State Pension Support Provided to the Counties</b>	<b>2018 Employer Allocation Percentage</b>
Toombs County Board of Commissioners	\$ 7,016.39	0.111810%	\$ 4,798.21	0.110680%
Treutlen County Board of Commissioners	8,174.40	0.130263%	5,592.60	0.129004%
Troup County Board of Commissioners	34,879.20	0.555818%	26,140.80	0.602988%
Turner County Board of Commissioners	11,592.66	0.184735%	8,124.72	0.187412%
Upton County Board of Commissioners	10,479.96	0.167004%	8,066.20	0.186062%
Walker County Board of Commissioners	37,997.47	0.605510%	26,084.32	0.601685%
Walton County Board of Commissioners	11,219.76	0.178793%	8,655.40	0.199653%
Ware County Board of Commissioners	21,407.15	0.341134%	15,453.16	0.356457%
Washington County Board of Commissioners	7,370.73	0.117456%	5,288.94	0.122000%
Wayne County Board of Commissioners	23,834.28	0.379812%	16,424.88	0.378871%
White County Board of Commissioners	9,912.00	0.157953%	7,170.01	0.165390%
Whitfield County Board of Commissioners	10,833.84	0.172643%	7,200.36	0.166090%
Worth County Board of Commissioners	10,080.60	0.160640%	7,135.56	0.164595%
Eighth Judicial Board of Commissioners	39,966.33	0.636884%	30,472.56	0.702908%
Atlantic Judicial Circuit	6,770.16	0.107886%	5,348.88	0.123382%
<b>Total for State Support Provided to the Districts</b>	<b>\$ <u>2,574,729.28</u></b>	<b><u>41.029660%</u></b>	<b>\$ <u>1,828,850.22</u></b>	<b><u>42.185941%</u></b>
Prosecuting Attorneys Council	\$ 542,453.92	8.644287%	\$ 353,496.69	8.154080%
Superior Courts of Georgia	2,930,718.72	46.702537%	2,016,180.84	46.507082%
Georgia Department of Law	182,594.40	2.909737%	113,035.26	2.607375%
General Assembly of Georgia	<u>44,791.68</u>	<u>0.713779%</u>	<u>23,649.52</u>	<u>0.545522%</u>
<b>Amount for State Employers</b>	<b>\$ <u>3,700,558.72</u></b>	<b><u>58.970340%</u></b>	<b>\$ <u>2,506,362.31</u></b>	<b><u>57.814059%</u></b>
<b>Total State of Georgia</b>	<b>\$ <u>6,275,288.00</u></b>	<b><u>100.000000%</u></b>	<b>\$ <u>4,335,212.53</u></b>	<b><u>100.000000%</u></b>



**SCHEDULE B**

**Georgia Judicial Retirement System  
Schedule of Pension Amounts by Employer as of June 30, 2018**

Employer	2018 Net Pension Liability	Deferred Outflows of Resources				Deferred Inflows of Resources					Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Total Employer Pension Expense		
		Difference Between Expected and Actual Experience	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Resources	Total Deferred Outflows of Resources	Difference Between Expected and Actual Experience	Change of Assumptions	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Resources	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Proportionate Share of Contributions	Total Employer Pension Expense
Appling County Board of Commissioners	(\$97,511)	\$21,506	\$15,460	\$2,090	\$39,056	\$7,979	\$4,907	\$11,589	\$11,829	\$36,304	\$7,103	(\$1,775)	\$5,328
Bacon County Board of Commissioners	(15,340)	3,383	2,432	9,439	15,254	1,255	772	1,823	102	3,952	1,119	2,706	3,825
Baldwin County Board of Commissioners	(105,713)	23,315	16,761	5,772	45,848	8,650	5,320	12,563	3,356	29,889	7,700	147	7,847
Bartow County Board of Commissioners	(78,628)	17,341	12,466	444	30,251	6,434	3,957	9,344	3,172	22,907	5,727	(1,211)	4,516
Bibb County Board of Commissioners	(227,826)	50,246	36,121	17,236	103,603	18,642	11,465	27,076	2,107	59,290	16,594	(2,265)	14,329
Brooks County Board of Commissioners	(30,980)	6,832	4,912	1,960	13,704	2,535	1,559	3,682	989	8,765	2,257	284	2,541
Bryan County Board of Commissioners	(84,886)	18,721	13,458	64,480	96,659	6,946	4,272	10,088	49,266	70,572	6,184	9,145	15,329
Bulloch County Board of Commissioners	(160,943)	35,495	25,517	4,356	65,368	13,169	8,099	19,127	6,409	46,804	11,722	562	12,284
Burke County Board of Commissioners	(35,595)	7,850	5,644	603	14,097	2,913	1,791	4,230	5,034	13,968	2,592	(2,673)	(81)
Camden County Board of Commissioners	(74,491)	16,429	11,810	3,155	31,394	6,095	3,749	8,853	8,974	27,671	5,426	(1,164)	4,262
Candler County Board of Commissioners	(43,768)	9,653	6,939	3,370	19,962	3,581	2,203	5,202	1,526	12,512	3,188	(1,263)	1,925
Carroll County Board of Commissioners	(209,438)	46,191	33,206	6,111	85,508	17,137	10,540	24,891	10,183	62,751	15,255	(2,174)	13,081
Catoosa County Board of Commissioners	(163,693)	36,102	25,953	750	62,805	13,394	8,238	19,454	91,480	132,566	11,923	(26,995)	(15,072)
Charlton County Board of Commissioners	(45,500)	10,035	7,214	8,496	25,745	3,723	2,290	5,407	3,586	15,006	3,313	2,289	5,602
Chatham County Board of Commissioners	(475,027)	104,765	75,314	39,696	219,775	38,868	23,906	56,454	161	119,389	34,598	9,909	44,507
Chattooga County Board of Commissioners	(54,241)	11,963	8,600	2,513	23,076	4,438	2,730	6,446	963	14,577	3,950	571	4,521
Cherokee County Board of Commissioners	(487,866)	107,597	77,350	15,122	200,069	39,919	24,552	57,980	9,440	131,891	35,535	7,124	42,659
Clarke County Board of Commissioners	(297,385)	65,587	47,149	6,934	119,670	24,333	14,966	35,342	1,522	76,163	21,661	3,090	24,751
Clayton County Board of Commissioners	(725,357)	159,974	115,003	50,412	325,389	59,351	36,503	86,204	6,014	188,072	52,832	11,997	64,829
Clinch County Board of Commissioners	-	-	-	21,793	21,793	-	-	-	-	-	-	6,060	6,060
Cobb County Board of Commissioners	(1,454,541)	320,792	230,612	74,037	625,441	119,016	73,199	172,864	7,363	372,442	105,945	21,680	127,625
Coffee County Board of Commissioners	(90,821)	20,030	14,399	4,546	38,975	7,431	4,571	10,794	1,561	24,357	6,616	896	7,512
Colquitt County Board of Commissioners	(76,572)	16,888	12,140	4,916	33,944	6,265	3,853	9,100	-	19,218	5,576	2,293	7,869
Columbia County Board of Commissioners	(251,218)	55,405	39,830	1,627	96,862	20,556	12,642	29,856	52,561	115,615	18,298	(26,418)	(8,120)
Coweta County Board of Commissioners	(306,445)	67,585	48,586	16,885	133,056	25,074	15,422	36,419	4,076	80,991	22,321	6,876	29,197
Decatur County Board of Commissioners	(65,466)	14,438	10,379	45,794	70,611	5,357	3,295	7,780	111	16,543	4,769	14,805	19,574
Dekalb County Board of Commissioners	(953,041)	210,189	151,101	18,625	379,915	77,981	47,962	113,263	144,831	384,037	69,416	(44,227)	25,189
Dougherty County Board of Commissioners	(158,268)	34,905	25,093	7,217	67,215	12,950	7,965	18,809	2,766	42,490	11,527	2,266	13,793
Douglas County Board of Commissioners	(305,929)	67,471	48,504	17,357	133,332	25,032	15,396	36,358	2,614	79,400	22,283	2,778	25,061
Early County Board of Commissioners	(22,903)	5,051	3,631	5,754	14,436	1,874	1,153	2,722	12,089	17,838	1,671	(570)	1,101
Effingham County Board of Commissioners	(128,270)	28,289	20,337	7,923	56,549	10,496	6,455	15,244	512	32,707	9,343	1,614	10,957
Elbert County Board of Commissioners	(49,065)	10,821	7,779	5,125	23,725	4,015	2,469	5,831	8,757	21,072	3,575	(1,815)	1,760
Emanuel County Board of Commissioners	(39,104)	8,624	6,200	2,871	17,695	3,200	1,968	4,647	81	9,896	2,848	735	3,583
Evans County Board of Commissioners	(56,207)	12,396	8,911	-	21,307	4,599	2,829	6,680	2,408	16,516	4,095	(1,086)	3,009
Fayette County Board of Commissioners	(156,324)	34,477	24,785	17,142	76,404	12,791	7,867	18,578	4,155	43,391	11,386	1,873	13,259
Floyd County Board of Commissioners	(78,544)	17,323	12,453	502	30,278	6,427	3,953	9,335	6,382	26,097	5,722	(1,008)	4,714
Forsyth County Board of Commissioners	(177,680)	39,186	28,170	10,157	77,513	14,538	8,942	21,116	21,877	66,473	12,942	1,250	14,192





**SCHEDULE B (continued)**

Employer	2018 Net Pension Liability	Deferred Outflows of Resources				Deferred Inflows of Resources					Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Total Employer Pension Expense		
		Difference Between Expected and Actual Experience	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Difference Between Expected and Actual Experience	Change of Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Pension Expense	Proportionate Share of Contributions	Total Employer Pension Expense
Fulton County Board of Commissioners	(\$810,592)	\$178,772	\$128,517	\$32,321	\$339,610	\$66,326	\$40,793	\$96,334	\$45,652	\$249,105	\$59,043	(\$10,990)	\$48,053
Glynn County Board of Commissioners	(134,958)	29,764	21,397	4,790	55,951	11,043	6,792	16,039	623	34,497	9,830	1,329	11,159
Gordon County Board of Commissioners	(51,575)	11,375	8,177	3,336	22,888	4,220	2,596	6,129	4,220	13,655	3,757	877	4,634
Grady County Board of Commissioners	(74,447)	16,419	11,803	1,976	30,198	6,092	3,747	8,848	23,787	42,474	5,424	(5,229)	195
Gwinnett County Board of Commissioners	(650,487)	143,462	103,132	10,322	256,916	53,225	32,736	77,307	9,298	172,566	47,380	(91)	47,289
Habersham County Board of Commissioners	(191,393)	42,211	30,345	5,689	78,245	15,660	9,632	22,746	8,877	56,915	13,939	(807)	13,132
Hall County Board of Commissioners	(555,969)	122,616	88,147	7,367	218,130	45,491	27,979	66,074	11,270	150,814	40,494	(2,838)	37,656
Haralson County Board of Commissioners	(81,499)	17,974	12,921	1,352	32,247	6,669	4,101	9,686	1,747	22,203	5,937	(492)	5,445
Henry County Board of Commissioners	(373,697)	82,417	59,248	34,836	176,501	30,577	18,806	44,412	6,062	99,857	27,219	11,776	38,995
Houston County Board of Commissioners	(237,817)	52,449	37,705	10,475	100,629	19,459	11,968	28,263	6,169	65,859	17,322	1,771	19,093
Jackson County Board of Commissioners	(171,593)	37,844	27,205	3,178	68,227	14,040	8,635	20,393	19,542	62,610	12,498	(3,864)	8,634
Jeff Davis County Board of Commissioners	(77,552)	17,104	12,296	6,259	35,659	6,346	3,903	9,217	475	19,941	5,650	745	4,905
Jefferson County Board of Commissioners	(43,403)	9,572	6,881	9,962	26,415	3,551	2,184	5,158	25	10,918	3,161	3,108	6,269
Jenkins County Board of Commissioners	(28,674)	6,324	4,546	1,320	12,190	2,346	1,443	3,408	3,199	10,396	2,089	(298)	1,791
Lamar County Board of Commissioners	(71,225)	15,708	11,292	3,373	30,373	5,828	3,584	8,465	5,267	23,144	5,189	(187)	5,002
Lanier County Board of Commissioners	(50,322)	11,098	7,978	-	19,076	4,118	2,532	5,981	42,375	55,006	3,667	(10,425)	(6,758)
Liberty County Board of Commissioners	(136,174)	30,033	21,590	10,310	61,933	11,142	6,853	16,183	8,840	43,018	9,917	1,467	11,384
Long County Board of Commissioners	(32,056)	7,070	5,082	12,761	24,913	2,623	1,613	3,810	106	8,152	2,336	3,148	5,484
Lowndes County Board of Commissioners	(277,308)	61,159	43,966	9,809	114,934	22,690	13,955	32,956	14,954	84,555	20,197	(8,259)	11,938
Lumpkin County Board of Commissioners	-	-	-	23,719	23,719	-	-	-	-	-	-	9,971	9,971
Madison County Board of Commissioners	(62,903)	13,873	9,973	-	23,846	5,147	3,166	7,476	41,738	57,527	4,582	(12,449)	(7,867)
McDuffie County Board of Commissioners	(50,258)	11,084	7,968	15,266	34,318	4,112	2,529	5,973	24,603	37,217	3,662	(924)	2,738
McIntosh County Board of Commissioners	(87,367)	19,268	13,852	6,011	39,131	7,149	4,397	10,383	0	21,929	6,364	20,916	27,280
Meriwether County Board of Commissioners	(37,700)	8,315	5,977	2,655	16,947	3,085	1,897	4,480	2,754	12,216	2,745	131	2,876
Miller County Board of Commissioners	(100,172)	22,093	15,882	2,173	40,148	8,196	5,041	11,905	19,713	44,855	7,296	(3,330)	3,966
Mitchell County Board of Commissioners	(106,869)	23,570	16,944	898	41,412	8,744	5,378	12,701	25,692	52,515	7,784	(6,020)	1,764
Muscogee County Board of Commissioners	(375,145)	82,736	59,478	13,522	155,736	30,696	18,879	44,584	7,263	101,422	27,325	(6,055)	21,270
Newton County Board of Commissioners	(75,557)	16,664	11,979	2,788	31,431	6,182	3,802	8,979	8,858	27,821	5,501	(1,035)	4,466
Oconee County Board of Commissioners	(31,451)	6,936	4,987	13,078	25,001	2,573	1,583	3,738	20,721	28,615	2,292	17,219	19,511
Paulding County Board of Commissioners	(77,386)	17,067	12,269	234	29,570	6,332	3,894	9,197	8,583	28,006	5,636	(2,353)	3,283
Pickens County Board of Commissioners	(112,832)	24,885	17,889	6,600	49,374	9,232	5,678	13,409	37,285	65,604	8,218	(7,363)	855
Pierce County Board of Commissioners	(55,322)	12,201	8,771	2,924	23,896	4,527	2,784	6,575	6,194	20,080	4,030	(1,377)	2,653
Putnam County Board of Commissioners	(72,181)	15,919	11,444	3,681	31,044	5,906	3,633	8,578	1,172	19,289	5,258	(1,268)	3,990
Richmond County Board of Commissioners	(551,479)	121,626	87,435	51,544	260,605	45,124	27,753	65,540	32	138,449	40,167	16,023	56,190
Rockdale County Board of Commissioners	(158,840)	35,031	25,184	3,456	63,671	12,997	7,994	18,877	5,652	45,520	11,569	997	12,566
Screven County Board of Commissioners	(34,349)	7,575	5,446	2,380	15,401	2,811	1,729	4,082	192	8,814	2,503	492	2,995
Spalding County Board of Commissioners	(167,553)	36,953	26,565	3,220	66,738	13,710	8,432	19,913	44,923	86,978	12,205	(10,554)	1,651
Stephens County Board of Commissioners	(38,678)	8,530	6,132	1,755	16,417	3,165	1,946	4,597	11,672	21,380	2,817	(1,154)	1,663
Sumter County Board of Commissioners	(92,774)	20,461	14,709	3,082	38,252	7,591	4,669	11,026	2,995	26,281	6,757	(904)	5,853
Tattnell County Board of Commissioners	(37,170)	8,198	5,893	8,628	22,719	3,041	1,871	4,417	970	10,299	2,707	2,421	5,128
Thomas County Board of Commissioners	(64,037)	14,123	10,153	3,724	28,000	5,240	3,223	7,610	3,358	19,431	4,664	1,434	6,098
Tift County Board of Commissioners	(222,917)	49,163	35,343	2,294	86,800	18,240	11,218	26,492	24,810	80,760	16,236	(6,576)	9,660
Toombs County Board of Commissioners	(42,095)	9,284	6,674	2,333	18,291	3,444	2,118	5,003	32	10,597	3,065	815	3,880
Treutlen County Board of Commissioners	(49,064)	10,821	7,779	3,668	22,268	4,015	2,469	5,831	191	12,506	3,574	(145)	3,429





SCHEDULE B (continued)

Employer	2018 Net Pension Liability	Deferred Outflows of Resources				Deferred Inflows of Resources					Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions		
		Difference Between Expected and Actual Experience	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Difference Between Expected and Actual Experience	Change of Assumptions	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Plan Pension Expense	Proportionate Share of Contributions	Total Employer Pension Expense
Troup County Board of Commissioners	(\$229,334)	\$50,579	\$36,360	\$4,948	\$91,887	\$18,765	\$11,541	\$27,255	\$43,086	\$100,647	\$16,705	(\$9,967)	\$6,738
Turner County Board of Commissioners	(71,278)	15,720	11,301	1,669	28,690	5,832	3,587	8,471	4,156	22,046	5,191	1,625	6,816
Upson County Board of Commissioners	(70,765)	15,607	11,220	2,042	28,869	5,790	3,561	8,410	7,204	24,965	5,153	(2,381)	2,772
Walker County Board of Commissioners	(228,839)	50,469	36,282	8,483	95,234	18,724	11,516	27,196	929	58,365	16,667	279	16,946
Walton County Board of Commissioners	(75,934)	16,747	12,039	3,883	32,669	6,213	3,821	9,024	7,719	26,777	5,529	(657)	4,872
Ware County Board of Commissioners	(135,571)	29,900	21,494	3,818	55,212	11,093	6,823	16,112	5,395	39,423	9,876	(654)	9,222
Washington County Board of Commissioners	(46,400)	10,233	7,357	1,028	18,618	3,797	2,335	5,514	2,015	13,661	3,379	(68)	3,311
Wayne County Board of Commissioners	(144,096)	31,780	22,846	356	54,982	11,790	7,252	17,125	39,918	76,085	10,495	(13,585)	(3,090)
White County Board of Commissioners	(62,903)	13,873	9,973	-	23,846	5,147	3,166	7,476	26,258	42,047	4,582	(10,385)	(5,803)
Whitfield County Board of Commissioners	(63,169)	13,932	10,015	7,940	31,887	5,169	3,179	7,507	710	16,565	4,601	2,433	7,034
Worth County Board of Commissioners	(62,600)	13,806	9,925	707	24,438	5,122	3,150	7,440	4,605	20,317	4,560	(686)	3,874
Eighth Judicial Board of Commissioners	(267,337)	58,960	42,385	14,178	115,523	21,874	13,454	31,771	23,075	90,174	19,472	2,366	21,838
Atlantic Judicial Circuit	(46,926)	10,349	7,440	2,137	19,926	3,840	2,362	5,577	5,471	17,250	3,419	(493)	2,926
<b>Total for State Support Provided to the Districts</b>	<b><u>\$(16,044,578)</u></b>	<b><u>\$3,538,557</u></b>	<b><u>\$2,543,810</u></b>	<b><u>\$905,468</u></b>	<b><u>\$6,987,835</u></b>	<b><u>\$1,312,825</u></b>	<b><u>\$807,442</u></b>	<b><u>\$1,906,804</u></b>	<b><u>\$1,167,179</u></b>	<b><u>\$5,194,250</u></b>	<b><u>\$1,168,647</u></b>	<b><u>(\$47,704)</u></b>	<b><u>\$1,120,943</u></b>
Prosecuting Attorneys Council	(\$3,101,241)	\$683,964	\$491,691	\$219,361	\$1,395,016	\$253,755	\$156,069	\$368,564	\$10,917	\$789,305	\$225,886	\$33,095	\$258,981
Superior Courts of Georgia	(17,688,040)	3,901,014	2,804,379	69,923	6,775,316	1,447,301	890,143	2,102,121	175,600	4,615,165	1,288,203	(42,745)	1,245,458
Georgia Department of Law	(991,663)	218,707	157,225	132,554	508,486	81,142	49,905	117,853	23,785	272,685	72,228	40,709	112,937
General Assembly of Georgia	(207,478)	45,758	32,895	64,138	142,791	16,977	10,441	24,658	13,963	66,039	15,112	16,645	31,757
<b>Amount for State Employers</b>	<b><u>(\$21,988,422)</u></b>	<b><u>\$4,849,443</u></b>	<b><u>\$3,486,190</u></b>	<b><u>\$485,976</u></b>	<b><u>\$8,821,609</u></b>	<b><u>\$1,799,175</u></b>	<b><u>\$1,106,558</u></b>	<b><u>\$2,613,196</u></b>	<b><u>\$224,265</u></b>	<b><u>\$5,743,194</u></b>	<b><u>\$1,601,429</u></b>	<b><u>\$47,704</u></b>	<b><u>\$1,649,133</u></b>
<b>Total State of Georgia</b>	<b><u>\$(38,033,000)</u></b>	<b><u>\$8,388,000</u></b>	<b><u>\$6,030,000</u></b>	<b><u>\$1,391,444</u></b>	<b><u>\$15,809,444</u></b>	<b><u>\$3,112,000</u></b>	<b><u>\$1,914,000</u></b>	<b><u>\$4,520,000</u></b>	<b><u>\$1,391,444</u></b>	<b><u>\$10,937,444</u></b>	<b><u>\$2,770,076</u></b>	<b><u>\$-</u></b>	<b><u>\$2,770,076</u></b>



**SCHEDULE C**

**Georgia Judicial Retirement System  
Schedule of Remaining Deferred Inflows and Outflows**

Employer	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter
Appling County Board of Commissioners	\$6,817	\$2,590	(\$8,267)	\$817	\$795	\$ -
Bacon County Board of Commissioners	3,963	3,456	1,609	1,858	416	-
Baldwin County Board of Commissioners	10,722	5,341	(6,318)	4,564	1,650	-
Bartow County Board of Commissioners	5,589	3,342	(5,304)	2,647	1,070	-
Bibb County Board of Commissioners	22,906	16,142	(9,629)	11,186	3,708	-
Brooks County Board of Commissioners	3,440	1,862	(1,713)	964	386	-
Bryan County Board of Commissioners	16,950	13,605	1,888	(5,193)	(1,163)	-
Bulloch County Board of Commissioners	14,315	6,927	(9,933)	5,199	2,056	-
Burke County Board of Commissioners	536	349	(2,579)	1,333	490	-
Camden County Board of Commissioners	5,503	2,692	(5,812)	727	613	-
Candler County Board of Commissioners	4,385	3,051	(2,010)	1,470	554	-
Carroll County Board of Commissioners	15,772	8,671	(12,224)	7,698	2,840	-
Catoosa County Board of Commissioners	(12,766)	(19,230)	(37,170)	(2,194)	1,599	-
Charlton County Board of Commissioners	6,098	3,817	(1,046)	1,393	477	-
Chatham County Board of Commissioners	53,118	34,281	(18,554)	23,798	7,743	-
Chattooga County Board of Commissioners	5,151	2,953	(2,962)	2,490	867	-
Cherokee County Board of Commissioners	44,361	28,317	(27,746)	16,727	6,519	-
Clarke County Board of Commissioners	29,385	15,138	(16,776)	11,531	4,229	-
Clayton County Board of Commissioners	75,243	52,953	(32,404)	30,738	10,787	-
Clinch County Board of Commissioners	6,066	5,980	5,791	3,390	566	-
Cobb County Board of Commissioners	161,367	89,537	(72,610)	54,722	19,983	-
Coffee County Board of Commissioners	8,616	5,972	(4,524)	3,319	1,235	-
Colquitt County Board of Commissioners	8,638	5,377	(3,480)	3,091	1,100	-
Columbia County Board of Commissioners	(3,229)	(6,333)	(22,142)	9,433	3,518	-
Coweta County Board of Commissioners	33,333	19,284	(15,502)	10,871	4,079	-
Decatur County Board of Commissioners	21,584	15,619	6,077	8,718	2,070	-
Dekalb County Board of Commissioners	44,155	(6,213)	(81,628)	27,810	11,754	-
Dougherty County Board of Commissioners	15,083	8,600	(8,682)	7,210	2,514	-
Douglas County Board of Commissioners	32,709	17,428	(15,224)	14,196	4,823	-
Early County Board of Commissioners	1,871	(1,112)	(4,503)	38	304	-
Effingham County Board of Commissioners	14,047	8,215	(5,616)	5,357	1,839	-
Elbert County Board of Commissioners	5,703	(558)	(4,839)	1,645	702	-
Emanuel County Board of Commissioners	4,217	2,775	(1,634)	1,827	614	-
Evans County Board of Commissioners	3,901	2,086	(3,795)	1,856	743	-



SCHEDULE C (continued)

Employer	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter
Fayette County Board of Commissioners	\$26,316	\$8,595	(\$9,086)	\$5,148	\$2,040	\$ -
Floyd County Board of Commissioners	5,658	2,485	(6,132)	1,381	789	-
Forsyth County Board of Commissioners	15,611	6,399	(13,971)	1,566	1,435	-
Fulton County Board of Commissioners	64,482	41,681	(47,919)	22,723	9,538	-
Glynn County Board of Commissioners	14,180	7,874	(7,383)	4,927	1,856	-
Gordon County Board of Commissioners	5,809	3,233	(2,741)	2,153	779	-
Grady County Board of Commissioners	1,520	(1,253)	(9,616)	(2,837)	(90)	-
Gwinnett County Board of Commissioners	57,619	33,779	(38,176)	22,436	8,692	-
Habersham County Board of Commissioners	15,642	9,750	(11,856)	5,470	2,324	-
Hall County Board of Commissioners	51,965	24,219	(36,303)	19,718	7,717	-
Haralson County Board of Commissioners	6,924	4,071	(4,773)	2,752	1,070	-
Henry County Board of Commissioners	37,184	27,866	(14,436)	19,680	6,350	-
Houston County Board of Commissioners	24,514	13,521	(13,802)	7,507	3,030	-
Jackson County Board of Commissioners	13,200	3,883	(14,833)	1,858	1,509	-
Jeff Davis County Board of Commissioners	10,098	5,273	(3,695)	2,964	1,078	-
Jefferson County Board of Commissioners	7,152	4,760	(313)	3,035	863	-
Jenkins County Board of Commissioners	2,343	1,059	(2,191)	338	245	-
Lamar County Board of Commissioners	6,057	3,542	(4,652)	1,528	754	-
Lanier County Board of Commissioners	(6,000)	(7,960)	(13,425)	(7,442)	(1,103)	-
Liberty County Board of Commissioners	14,396	7,404	(7,750)	3,381	1,484	-
Long County Board of Commissioners	6,936	4,701	1,087	3,227	810	-
Lowndes County Board of Commissioners	18,320	12,083	(16,615)	12,261	4,330	-
Lumpkin County Board of Commissioners	9,968	9,822	3,929	0	0	-
Madison County Board of Commissioners	(6,918)	(9,368)	(16,198)	(1,690)	493	-
Mcduffie County Board of Commissioners	3,341	1,536	(4,228)	(3,086)	(462)	-
Mcintosh County Board of Commissioners	11,764	5,306	(4,563)	3,443	1,252	-
Meriwether County Board of Commissioners	4,333	1,820	(2,650)	816	412	-
Miller County Board of Commissioners	4,742	996	(10,403)	(604)	562	-
Mitchell County Board of Commissioners	3,305	(1,185)	(12,929)	(906)	612	-
Muscogee County Board of Commissioners	37,401	19,847	(22,479)	14,171	5,374	-
Newton County Board of Commissioners	4,928	2,185	(5,572)	1,337	732	-
Oconee County Board of Commissioners	3,123	209	(3,340)	(3,065)	(541)	-
Paulding County Board of Commissioners	4,635	1,884	(6,522)	886	681	-
Pickens County Board of Commissioners	3,070	(2,064)	(15,766)	(2,002)	532	-
Pierce County Board of Commissioners	4,521	675	(4,023)	1,911	732	-
Putnam County Board of Commissioners	7,618	4,494	(3,837)	2,519	961	-
Richmond County Board of Commissioners	64,803	40,728	(21,227)	28,610	9,242	-
Rockdale County Board of Commissioners	14,410	7,584	(10,369)	4,565	1,961	-
Screven County Board of Commissioners	3,632	2,487	(1,489)	1,454	503	-



**SCHEDULE C (continued)**

Employer	Year 1	Year 2	Year 3	Year 4	Year 5	Thereafter
Spalding County Board of Commissioners	\$3,800	(\$2,352)	(\$21,343)	(\$1,385)	\$1,040	\$ -
Stephens County Board of Commissioners	1,418	(1,260)	(5,609)	112	376	-
Sumter County Board of Commissioners	8,964	4,883	(5,800)	2,763	1,161	-
Tattnall County Board of Commissioners	10,756	1,979	(2,117)	1,302	500	-
Thomas County Board of Commissioners	6,602	3,483	(3,894)	1,648	730	-
Tift County Board of Commissioners	13,773	5,938	(18,842)	3,056	2,115	-
Toombs County Board of Commissioners	4,779	2,629	(2,026)	1,707	605	-
Treutlen County Board of Commissioners	5,864	3,445	(2,231)	1,980	704	-
Troup County Board of Commissioners	10,184	826	(25,210)	2,995	2,445	-
Turner County Board of Commissioners	4,040	3,657	(4,393)	2,386	954	-
Upson County Board of Commissioners	4,561	2,646	(5,175)	1,188	684	-
Walker County Board of Commissioners	22,161	14,179	(11,664)	8,942	3,251	-
Walton County Board of Commissioners	5,786	3,060	(5,059)	1,380	725	-
Ware County Board of Commissioners	12,301	6,840	(8,763)	3,769	1,642	-
Washington County Board of Commissioners	3,719	2,305	(2,986)	1,344	575	-
Wayne County Board of Commissioners	(1,281)	(6,695)	(18,912)	3,763	2,022	-
White County Board of Commissioners	(4,854)	(7,304)	(8,459)	1,661	755	-
Whitfield County Board of Commissioners	8,132	4,869	(1,818)	3,156	983	-
Worth County Board of Commissioners	2,571	2,700	(3,981)	2,024	807	-
Eighth Judicial Board of Commissioners	22,643	12,902	(17,899)	5,027	2,676	-
Atlantic Judicial Circuit	<u>3,403</u>	<u>1,847</u>	<u>(3,540)</u>	<u>560</u>	<u>406</u>	<u>-</u>
Total for State Support Provided to the Districts	<u>\$1,397,473</u>	<u>\$717,412</u>	<u>(\$1,029,229)</u>	<u>\$502,747</u>	<u>\$205,182</u>	<u>\$ -</u>
Prosecuting Attorneys Council	\$330,518	\$201,413	(\$133,308)	\$156,079	\$51,009	\$ -
Superior Courts of Georgia	1,470,647	845,047	(1,067,936)	662,775	249,618	-
Georgia Department of Law	110,979	80,781	(34,335)	59,749	18,627	-
General Assembly of Georgia	<u>34,383</u>	<u>18,347</u>	<u>(2,192)</u>	<u>20,650</u>	<u>5,564</u>	<u>-</u>
Amount for State Employers	<u>\$1,946,527</u>	<u>\$1,145,588</u>	<u>(\$1,237,771)</u>	<u>\$899,253</u>	<u>\$324,818</u>	<u>\$ -</u>
Total State of Georgia	<u>\$3,344,000</u>	<u>\$1,863,000</u>	<u>(\$2,267,000)</u>	<u>\$1,402,000</u>	<u>\$530,000</u>	<u>\$ -</u>



## SCHEDULE D

### SUMMARY OF MAIN PLAN PROVISIONS

The Georgia Judicial Retirement System (JRS) is a cost-sharing multiple employer defined benefit pension plan established by the Georgia General Assembly for the purpose of providing retirement allowances and other benefits for trial judges and solicitors of certain courts in Georgia, and their survivors and other beneficiaries, superior court judges of the state of Georgia, and district attorneys of the state of Georgia.

#### Normal Retirement Benefit

Eligibility	Age 60 and 16 years of creditable service.
Benefit	Annual benefit is 66-2/3% 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: 1/2 of projected normal retirement benefit. For members with 10 or more years of creditable service: 2/3 of projected normal retirement benefit.

#### Involuntary Retirement Benefit

N/A

#### Deferred Vested Retirement Benefit

Eligibility	10 years of creditable service.
Benefit	Accrued benefit deferred to age 60.

#### Death Benefit

Eligibility	
Members prior to July 1, 2012	10 years of creditable service during which the member has contributed for spouse coverage.
Members on or after July 1, 2012	10 years of creditable service.
Benefit	
Members prior to July 1, 2012	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.

Members on or after July 1, 2012

Spouse receives a benefit as if member retired on his or her date of death and elected option three.

If less than 10 years of service or 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.

#### Termination Benefit

Eligibility

Termination with less than 10 years of creditable service.

Benefit

Return of the member's accumulated contributions with interest.

#### Payment Options

Members prior to July 1, 2012

Monthly Life Annuity with Death Benefit payable as described above with guaranteed payment of accumulated contributions.

Members on and after July 1, 2012

Monthly Life Annuity with guaranteed payment of accumulated contributions.

Option 1 – 100% Joint & Survivor

Option 2 – 66-2/3% Joint & Survivor

Option 3 – 50% Joint & Survivor

Pop-Up Option – Election of Options 1, 2, or 3 with added provision that if survivor predeceases the member the benefit reverts to the amount the member would have received had no option been chosen.

#### Post-Retirement Adjustments

The Board may from time to time grant a Cost of Living Adjustment.

For members with retirement dates prior to July 1, 2013, a one time 1.75% increase on the first \$37,500 was made at the time of retirement.

#### Contributions

By Members

Members prior to July 1, 2012 contribute 7-1/2% of salary, plus 2-1/2% of salary for up to 16 years if spouse benefit is not rejected.

Members on and after July 1, 2012 contribute 7-1/2% of salary.

By Employers

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



**SCHEDULE E**

**STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS**

**Adopted by the Board December 17, 2015. Valuation interest rate adopted by the Board March 15, 2018.**

**VALUATION INTEREST RATE:** 7.30% per annum, compounded annually, net of investment expenses, composed of a 2.75% inflation assumption and a 4.55% real rate of investment return assumption.

**SALARY INCREASES:** 4.50% annually

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

Age	Withdrawal	Annual Rates of		
		Death		Disability
		Men	Women	
20	4.0%	.032%	.018%	.03%
25	4.0	.035	.019	.03
30	4.0	.041	.025	.05
35	4.0	.072	.044	.08
40	6.0	.100	.066	.10
45	4.0	.140	.104	.18
50	3.0	.198	.156	.25
55	2.5	.281	.223	.45
60	2.5	.409	.306	.73
65	2.5	.560	.430	1.18

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

Age	Annual Rates of Retirement
60	15%
61	10
62	12
63 – 64	10
65 – 69	15
70 – 74	25
75	100



**DEATHS AFTER RETIREMENT:** Since the System has minimal post-retirement mortality experience, the System uses the same mortality tables used for the Employees' Retirement System of Georgia. The RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward 2 years for both males and females is used for the period after retirement and for dependent beneficiaries. For the period after disability retirement, the RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB and set back 7 years for males and set forward 3 years for females is used. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2016, the numbers of expected future deaths are 9-12% less than the actual number of deaths that occurred during the study period for healthy retirees and disabled retirees. Representative values of the assumed annual rates of mortality for service retirements and beneficiaries are as follows:

Age	Men	Women	Age	Men	Women
40	0.113%	0.079%	65	1.130%	0.899%
45	0.161	0.123	70	1.870	1.528
50	0.247	0.187	75	3.215	2.522
55	0.425	0.292	80	5.516	4.163
60	0.699	0.492	85	9.563	7.124

**ADMINISTRATIVE EXPENSES:** Budgeted expenses for the fiscal year are added to the normal cost contribution.

**AMORTIZATION METHOD AND PAYROLL GROWTH ASSUMPTION:** Level percentage of payroll, assuming payroll will increase 3.25% per year.

**ASSET METHOD:** Market value.

**PERCENT MARRIED:** For members hired on and after July 1, 2012, 100% are assumed to be married. For these members and for members who have elected spouse coverage, husbands are assumed to be three years older than their wives.

**VALUATION METHOD:** Entry age actuarial cost method.





## SCHEDULE F

### FUNDING POLICY OF THE JRS BOARD OF TRUSTEES

The purpose of this Funding Policy is to state the overall objectives for the Georgia Judicial Retirement System (System), the benchmarks that will be used to measure progress in achieving those goals, and the methods and assumptions that will be employed to develop the benchmarks. It is the intent of the JRS Board of Trustees that the Funding Policy outlined herein will remain unchanged until the objectives below are met.

#### I. Funding Objectives

The goal in requiring employer and member contributions to the System is to accumulate sufficient assets during a member's employment to fully finance the benefits the member is expected to receive throughout retirement. In meeting this objective, the System will strive to meet the following funding objectives:

- To develop a pattern of contribution rates expressed as a percentage of employer payroll and measured by valuations prepared in accordance with applicable State laws and the principles of practice prescribed by the Actuarial Standards Board.
- To maintain a stable funded ratio (ratio of actuarial value of assets to actuarial accrued liabilities) that reflects a trend of strong actuarial condition. The long-term objective is to maintain a 100% funded ratio; in the event that the funded ratio falls below 100%, the objective will be to obtain a 100% funded ratio over a reasonable period of future years.
- To maintain adequate asset levels to finance the benefits promised to members and monitor the future demand for liquidity.
- To promote intergenerational equity for taxpayers with respect to contributions required for the benefits provided by the System.

#### II. Measures of Funding Progress

To track progress in achieving the System's funding objectives, the following measures will be determined annually as of the actuarial valuation date (with due recognition that a single year's results may not be indicative of long-term trends):

- **Funded Ratio** – The funded ratio, defined as the actuarial value of assets divided by the actuarial accrued liability, should remain reasonably stable over time, before adjustments for changes in benefits, actuarial methods, and/or actuarial adjustments. The target funded ratio will be 100 percent. In the event that the funded ratio falls below 100%, the targeted funded ratio will be 100% within 20 years of the date the funded ratio first falls below 100%.
- **Unfunded Actuarial Accrued Liability (UAAL)**
  - **Transitional UAAL** – The UAAL established as of the initial valuation date for which this funding policy is adopted shall be known as the Transitional UAAL.
  - **New Incremental UAAL** – Each subsequent valuation will produce a New Incremental UAAL consisting of all benefit changes, assumption and method changes and experience gains and/or losses that have occurred since the previous valuations.
- **UAAL Amortization Period**
  - The transitional UAAL will be amortized over a closed 20 year period beginning on the initial valuation date for which this funding policy is adopted.
  - Each New Incremental UAAL shall be amortized over a closed 20 year period beginning with the year it is incurred.



- **Employer Contribution Rates**

- **Employer Normal Contribution Rate** – the contribution rate determined as of the valuation date each year to fund the employer portion of the annual normal cost based on the assumptions and methods approved by the Board.
- In each valuation subsequent to the adoption of this funding policy the required employer contribution rate will be determined as the summation of the employer Normal Contribution Rate, a contribution rate for administrative expenses, the amortization rate for the Transitional UAAL and the individual amortization rate for each of the New Incremental UAAL bases.
- In no event shall the employer contribution rate be less than 0%.
- The valuation methodology, including the amortization of the Unfunded Actuarial Accrued Liability (UAAL), would be expected to maintain reasonably stable contribution rates.

### III. Methods and Assumptions

The annual actuarial valuations providing the measures to assess funding progress will utilize the actuarial methods and assumptions last adopted by the Board based upon the advice and recommendations of the actuary. These include the following primary methods and assumptions:

- The actuarial cost method used to develop the benchmarks will be the Entry Age Normal (EAN) actuarial cost method.
- The long-term annual investment rate of return assumption will be:
  - Effective with the June 30, 2013 valuation date, 7.50% net of investment expenses.
  - Effective with the June 30, 2017 valuation date, reduced by 0.10% (10 basis points) from the immediate prior actuarial valuation, as long as the following conditions are met:
    - The actual rate of return for the fiscal year ending with the current valuation date exceeds the assumed rate of return from the immediate prior actuarial valuation, and
    - The assumed rate of return does not decrease below 7.00% net of investment expenses.
- The actuarial value of assets will be determined by recognizing the annual differences between actual and expected market value of assets over a five-year period, beginning with the June 30, 2013 actuarial valuation.
  - Prior to the June 30, 2013 valuation, the differences between actual and expected market value of assets were recognized over a seven-year period. For the June 30, 2013 valuation, all then-current deferred gains and losses will be recognized immediately, and the initial new five-year period will begin immediately thereafter.

The employer contribution rates determined in an annual actuarial valuation will be at least sufficient to satisfy the annual normal cost of the System and amortize any UAAL as a level dollar amount over a period not to exceed 20 years. However in no event shall the employer contribution rate be less than 0%.

The actuary shall conduct an investigation into the System's experience at least every five years and utilize the results of the investigation to form the basis for recommended assumptions and methods. Any changes to the recommended assumptions and methods that are approved by the Board will be reflected in this Policy.



#### **IV. Funding Policy Progress**

The Board will periodically have actuarial projections of the valuation results performed to assess the current and expected future progress towards the overall funding goals of the System. These periodic projections will provide the expected valuation results over at least a 30-year period. The projected measures of funding progress and the recent historical trend provided in valuations will provide important information for the Board's assessment of the System's funding progress.

Adopted: March 15, 2018