

Georgia Military Pension Fund

GASB Statement No. 68 Report



Prepared as of June 30, 2025



March 16, 2026

Board of Trustees
Georgia Military Pension Fund
Two Northside 75, Suite 300
Atlanta, GA 30318-7701

Members of the Board:

Presented in this report is information to assist the Georgia Military Pension Fund (GMPF) 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, CavMac. This information is presented for the period ending June 30, 2025 (the Measurement Date) for financial reporting as of June 30, 2026 (the Reporting Date).

GASB Statement No. 68 established accounting and financial reporting requirements for governmental employers who 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 (Asset), was performed as of June 30, 2024. The valuation was based on data provided by the Retirement System staff for active, inactive and retired members along with pertinent financial information. While not verifying data at the source, the actuary performed tests for consistency and reasonableness. The valuation results depend on the integrity of the data. If any of the information is inaccurate or incomplete, our results may be different and our calculations may need to be revised. Please see the actuarial valuation for additional details on the funding requirements for the Fund.

To the best of our knowledge, the information contained in this report is complete and accurate. The calculations were performed by qualified actuaries according to generally accepted actuarial principles and practices, as well as in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results.



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The calculations are based on the current provisions of the Fund and on actuarial assumptions that are, individually and in the aggregate, internally consistent and reasonably based on the actual experience of the Fund. In addition, the calculations were completed in compliance with the laws governing the Fund and, in our opinion, meet the requirements of GASB 68. Edward Koebel and Ben Mobley are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

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 the report due to such factors as changes in plan experience or changes in economic or demographic assumptions.

Respectfully submitted,

Edward J. Koebel, EA, FCA, MAAA
Chief Executive Officer

Ben Mobley, ASA, FCA, MAAA
Consulting Actuary



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SECTION I – INTRODUCTION

The Governmental Accounting Standards Board issued Statement No. 68 (GASB 68), “*Accounting and Financial Reporting For Pensions*,” in June 2012. Georgia Military Pension Fund (GMPF) is a single-employer defined benefit pension plan.

This report, prepared as of June 30, 2025 (the Measurement Date), presents information to assist GMPF in meeting the requirements of GASB 68 for the fiscal year ending June 30, 2026 (the Reporting Date). Much of the material provided in this report is based on the results of the annual actuarial valuation of GMPF as of June 30, 2024. The results of that valuation were detailed in a report dated April 17, 2025.

The Net Pension Liability (Asset) (NPL) shown in the GASB Statement No. 67 Report for the Georgia Military Pension Fund prepared as of June 30, 2025 and submitted September 12, 2025 is the NPL used for purposes of GASB 68. Please refer to that report for the derivation of the 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 beginning of the measurement period, and investment gains/losses are amortized over five years. The development of the 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 on the employer’s balance sheet. The development of the deferred inflows and outflows is shown in Section III.

Section II of this report is a summary of the principal results of the 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 Required Supplementary Information (RSI).





SECTION II – SUMMARY OF PRINCIPAL RESULTS

(\$ in thousands)	
Valuation Date (VD):	June 30, 2024
Measurement Date (MD):	June 30, 2025
Reporting Date (RD):	June 30, 2026
Single Equivalent Interest Rate (SEIR):	
Long-Term Expected Rate of Return	7.00%
Municipal Bond Index Rate at Measurement Date	5.25%
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	7.00%
Net Pension Liability (Asset):	
Total Pension Liability (TPL)	\$ 63,472
Fiduciary Net Position (FNP)	<u>52,580</u>
Net Pension Liability (Asset) (NPL = TPL – FNP)	\$ 10,892
FNP as a percentage of TPL	82.84%
Pension Expense:	\$ 1,160
Deferred Outflows of Resources:	\$ 2,502
Deferred Inflows of Resources:	\$ 4,202





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.

Paragraph 40 (c): The data required regarding the membership of the Georgia Military Pension Fund were furnished by the Retirement System. The following table summarizes the membership of the Fund as of June 30, 2025, the Measurement Date.

Membership

GROUP	TOTAL
Retired participants and beneficiaries currently receiving benefits	1,722
Terminated participants and beneficiaries entitled to benefits but not yet receiving benefits	4,082
Terminated participants entitled to a refund of contributions	0
Active Participants	<u>14,167</u>
Total	19,971

Paragraph 41: This paragraph requires information regarding the actuarial assumptions used to measure the TPL. The TPL as of June 30, 2025 was determined by an actuarial valuation prepared as of June 30, 2024. The complete set of actuarial assumptions utilized in developing the TPL are outlined in Schedule C. The key actuarial assumptions are summarized below:

Inflation	2.50 percent
Salary increases	N/A
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation





SECTION III – NOTES TO FINANCIAL STATEMENTS

Mortality rates are as follows:

- The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 Projection Scale is used for both males and females while in active service.
- The Pub-2010 Family of Tables projected generationally with the MP-2019 Projection Scale and with further adjustments are used for post-retirement mortality assumptions as follows:

Participant Type	Membership Table	Set Forward (+)/ Setback (-)	Adjustment to Rates
Service Retirees	General Healthy Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019. In the experience study, the long-term assumed investment rate of return that was recommended by the actuary and adopted by the Board was 7.00%. Based on the funding policy adopted by the Board, the assumed investment rate of return used in the funding valuation will be reduced by 0.10% (10 basis points) from the immediate prior actuarial valuation, if 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, until the rate reaches the long-term assumed investment rate of return. However, for GASB purposes, the Total Pension Liability (TPL) will be based on the long-term assumed investment rate of return of 7.00%.

Paragraph 42 (a)-(f): The discount rate used to measure the TPL at June 30, 2025 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made equal to the actuarially determined employer contribution. Based on those assumptions, the Fund’s FNP 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 TPL.

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 returns, net of pension plan investment expense and 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.





SECTION III – NOTES TO FINANCIAL STATEMENTS

The target asset allocation and best estimates of arithmetic real rates of return as provided by the Fund for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed Income	30.0%	1.9%
US Large Stocks	43.2%	9.3%
US Small Stocks	4.3%	13.0%
Int'l Developed Mkt Stocks	12.3%	9.3%
Int'l Emerging Mkt Stocks	5.2%	11.3%
Alternatives	5.0%	11.4%
Total	100.0%	

*Net of inflation.

Paragraph 42 (g): This paragraph requires disclosure of the sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the Fund, calculated using the discount rate of 7.00 percent, as well as what the Fund's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate (\$ thousands):

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net Pension Liability (Asset)	\$19,622	\$10,892	\$3,850





SECTION III – NOTES TO FINANCIAL STATEMENTS

Paragraph 44: This paragraph requires a schedule of changes in the NPL. The needed information is provided in the table below.

CHANGES IN THE NET PENSION LIABILITY (ASSET) (\$ in Thousands)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at June 30, 2024	\$61,840	\$46,305	\$15,535
Changes for the year:			
Service cost	153		153
Interest	4,267		4,267
Difference between expected and actual experience	(1,034)		(1,034)
Change in Assumptions	0		0
Contributions - employer		2,781	(2,781)
Contributions - employee		0	0
Net investment income		5,601	(5,601)
Benefit payments, including refunds of employee contributions	(1,754)	(1,754)	0
Administrative expense		(353)	353
Other changes		<u>0</u>	<u>0</u>
Net changes	<u>1,632</u>	<u>6,275</u>	<u>(4,643)</u>
Balances at June 30, 2025	<u>\$63,472</u>	<u>\$52,580</u>	<u>\$10,892</u>





SECTION III – NOTES TO FINANCIAL STATEMENTS

Paragraph 45 (a): June 30, 2024 is the actuarial valuation date upon which the TPL is based. An expected TPL is determined as of June 30, 2025 using standard roll forward techniques. The procedure used to determine the TPL as of June 30, 2025 is shown on page 7 of the GASB 67 report for GMPF submitted on September 12, 2025.

Paragraph 45 (c): There was no change in the assumptions that affected the measurement of the TPL since the prior measurement date.

Paragraph 45 (d): There was no change in the benefit terms that affected the measurement of the TPL since the prior measurement date.

Paragraph 45 (g): See Section IV for the annual pension expense.

Paragraph 45 (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 pension expense, they are labeled deferred inflows. If they will increase 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 Fund members at the beginning of the measurement period. Investment gains and losses are amortized over a fixed five-year period.





SECTION III – NOTES TO FINANCIAL STATEMENTS

The table below provides a summary of the deferred inflows and outflows as of June 30, 2025.

	Deferred Outflows of Resources (\$ thousands)	Deferred Inflows of Resources (\$ thousands)
Differences between expected and actual experience	\$448	\$1,499
Changes of assumptions	2,054	0
Net difference between projected and actual earnings on Plan investments	0	2,703
Employer contributions subsequent to the measurement date	*	0
Total	<u>\$2,502</u>	<u>\$4,202</u>

*The deferred outflow of resources reported by an employer should include contributions made by the employer during its fiscal year that will be reflected in the net pension liability (asset) in the next measurement period.

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





SECTION III – NOTES TO FINANCIAL STATEMENTS

DEFERRED OUTFLOWS AND INFLOWS FOR DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE (\$ in thousands)											
Year	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amortization Period	Beginning Balance Deferred Outflows (a)	Beginning Balance Deferred Inflows (b)	Losses / Deferred Outflows (c)	Gains / Deferred Inflows (d)	Amounts Recognized in Pension Expense / Deferred Outflow (e)	Amounts Recognized in Pension Expense / Deferred Inflow (f)	Ending Balance Deferred Outflows (a) + (c) - (e)	Ending Balance Deferred Inflows (b) + (d) - (f)
2025	\$0	\$1,034	8.1	\$0	\$0	\$0	\$1,034	\$0	\$128	\$0	\$906
2024	0	785	8.2	0	689	0	0	0	96	0	593
2023	49	0	8.2	37	0	0	0	6	0	31	0
2022	313	0	8.6	205	0	0	0	36	0	169	0
2021	142	0	8.7	78	0	0	0	16	0	62	0
2020	162	0	8.7	67	0	0	0	19	0	48	0
2019	450	0	8.9	144	0	0	0	51	0	93	0
2018	116	0	8.8	25	0	0	0	13	0	12	0
2017	1,356	0	9.2	180	0	0	0	147	0	33	0
2016	950	0	9.5	50	0	0	0	50	0	0	0
Total				<u>\$786</u>	<u>\$689</u>	<u>\$0</u>	<u>\$1,034</u>			<u>\$448</u>	<u>\$1,499</u>





SECTION III – NOTES TO FINANCIAL STATEMENTS

DEFERRED OUTFLOWS AND INFLOWS FROM ASSUMPTION CHANGES (\$ in thousands)											
Year	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amortization Period	Beginning Balance Deferred Outflows (a)	Beginning Balance Deferred Inflows (b)	Losses / Deferred Outflows (c)	Gains / Deferred Inflows (d)	Amounts Recognized in Pension Expense / Deferred Outflow (e)	Amounts Recognized in Pension Expense / Deferred Inflow (f)	Ending Balance Deferred Outflows (a) + (c) - (e)	Ending Balance Deferred Inflows (b) + (d) - (f)
2025	\$0	\$0	8.1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	0	0	8.2	0	0	0	0	0	0	0	0
2023	0	0	8.2	0	0	0	0	0	0	0	0
2022	0	0	8.6	0	0	0	0	0	0	0	0
2021	4,593	0	8.7	2,481	0	0	0	528	0	1,953	0
2020	0	0	8.7	0	0	0	0	0	0	0	0
2019	0	0	8.9	0	0	0	0	0	0	0	0
2018	1,093	0	8.8	225	0	0	0	124	0	101	0
2017	0	0	9.2	0	0	0	0	0	0	0	0
2016	1,082	0	9.5	56	0	0	0	56	0	0	0
Total				<u>\$2,762</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>			<u>\$2,054</u>	<u>\$0</u>





SECTION III – NOTES TO FINANCIAL STATEMENTS

COLLECTIVE DEFERRED OUTFLOWS AND INFLOWS FOR DIFFERENCES IN INVESTMENT EXPERIENCE (\$ in thousands)											
Year	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amortization Period	Beginning Balance Deferred Outflows (a)	Beginning Balance Deferred Inflows (b)	Losses / Deferred Outflows (c)	Gains / Deferred Inflows (d)	Amounts Recognized in Pension Expense / Deferred Outflow (e)	Amounts Recognized in Pension Expense / Deferred Inflow (f)	Ending Balance Deferred Outflows (a) + (c) - (e)	Ending Balance Deferred Inflows (b) + (d) - (f)
2025	\$0	\$2,336	5.0	\$0	\$0	\$0	\$2,336	\$0	\$467	\$0	\$1,869
2024	0	2,844	5.0	0	2,275	0	0	0	569	0	1,706
2023	0	1,537	5.0	0	923	0	0	0	307	0	616
2022	7,432	0	5.0	2,974	0	0	0	1,486	0	1,488	0
2021	0	6,557	5.0	0	1,313	0	0	0	1,313	0	0
2020	482	0	5.0	0	0	0	0	0	0	0	0
2019	83	0	5.0	0	0	0	0	0	0	0	0
2018	0	337	5.0	0	0	0	0	0	0	0	0
2017	0	906	5.0	0	0	0	0	0	0	0	0
2016	1,042	0	5.0	0	0	0	0	0	0	0	0
Total				<u>\$2,974</u>	<u>\$4,511</u>	<u>\$0</u>	<u>\$2,336</u>			<u>\$1,488</u>	<u>\$4,191</u>
Net difference between projected and actual earnings on investments											\$2,703





SECTION III – NOTES TO FINANCIAL STATEMENTS

Summary of Deferred Outflows and Inflows (\$ thousands)					
Year	Amortization Period	Beginning Balance	Additions	Deductions	Ending Balance
Deferred Outflows of Resources:					
Difference between expected and actual experience					
2025	8.1	\$0	\$0	\$0	\$0
2024	8.2	0	0	0	0
2023	8.2	37	0	6	31
2022	8.6	205	0	36	169
2021	8.7	78	0	16	62
2020	8.7	67	0	19	48
2019	8.9	144	0	51	93
2018	8.8	25	0	13	12
2017	9.2	180	0	147	33
2016	9.5	50	0	50	0
Difference between expected and actual assumptions					
2025	8.1	\$0	\$0	\$0	\$0
2024	8.2	0	0	0	0
2023	8.2	0	0	0	0
2022	8.6	0	0	0	0
2021	8.7	2,481	0	528	1,953
2020	8.7	0	0	0	0
2019	8.9	0	0	0	0
2018	8.8	225	0	124	101
2017	9.2	0	0	0	0
2016	9.5	56	0	56	0
Difference between projected and actual earnings					
2025	5.0	\$0	\$0	\$0	\$0
2024	5.0	0	0	0	0
2023	5.0	0	0	0	0
2022	5.0	0	0	0	0
2021	5.0	0	0	0	0
2020	5.0	0	0	0	0
2019	5.0	0	0	0	0
2018	5.0	0	0	0	0
2017	5.0	0	0	0	0
2016	5.0	0	0	0	0
Subtotal					\$0
Total Deferred Outflows of Resources		\$3,548	\$0	\$1,046	\$2,502
Deferred Inflows of Resources:					
Difference between expected and actual experience					
2025	8.1	\$0	\$1,034	\$128	\$906
2024	8.2	689	0	96	593
2023	8.2	0	0	0	0
2022	8.6	0	0	0	0
2021	8.7	0	0	0	0
2020	8.7	0	0	0	0
2019	8.9	0	0	0	0
2018	8.8	0	0	0	0
2017	9.2	0	0	0	0
2016	9.5	0	0	0	0
Difference between expected and actual assumptions					
2025	8.1	\$0	\$0	\$0	\$0
2024	8.2	0	0	0	0
2023	8.2	0	0	0	0
2022	8.6	0	0	0	0
2021	8.7	0	0	0	0
2020	8.7	0	0	0	0
2019	8.9	0	0	0	0
2018	8.8	0	0	0	0
2017	9.2	0	0	0	0
2016	9.5	0	0	0	0
Difference between projected and actual earnings					
2025	5.0	\$0	\$2,336	\$467	\$1,869
2024	5.0	2,275	0	569	1,706
2023	5.0	923	0	307	616
2022	5.0	(2,974)	0	(1,486)	(1,488)
2021	5.0	1,313	0	1,313	0
2020	5.0	0	0	0	0
2019	5.0	0	0	0	0
2018	5.0	0	0	0	0
2017	5.0	0	0	0	0
2016	5.0	0	0	0	0
Subtotal					\$2,703
Total Deferred Inflows of Resources		\$2,226	\$3,370	\$1,394	\$4,202





SECTION III – NOTES TO FINANCIAL STATEMENTS

Paragraph 45 (i): Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in Pension Expense as follows:

Deferred Amounts to be Recognized in Fiscal Years Following the Reporting Date (\$ thousands):	
Year 1	\$723
Year 2	(922)
Year 3	(663)
Year 4	(267)
Year 5	(193)
Thereafter	(378)





SECTION IV – PENSION EXPENSE

As noted earlier, the 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 (EAN) actuarial funding method. The second item is interest on the beginning of year TPL and the cash flows during the year at the 7.00% 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,
- 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. For the year ended June 30, 2025, there were no benefit changes to be recognized.

The next item to be recognized is the portion of current year changes in TPL due to actual versus expected 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 measurement period. The 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, 2025, this number is 11.4. The remaining service life of the inactive members is zero. The figure to use for the amortization is the weighted average of these two amounts, or 8.1 years.

The last item under changes in TPL is 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 8.1 years.

Member contributions for the year and projected earnings on the FNP, again at the rate used to calculate the liabilities, are subtracted from the amount determined thus far. One-fifth of current period differences between actual and projected 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 inflows and outflows (see Section III) are included next. Deferred inflows are subtracted from the PE while deferred outflows are added to the PE. Finally, administrative expenses and other miscellaneous items are included.

The calculation of the Pension Expense is shown in the following table.





SECTION IV – PENSION EXPENSE

Pension Expense Determined as of the Measurement Date (\$ thousands)	
Service Cost	\$153
Interest	4,267
Current-period benefit changes	0
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(128)
Expensed portion of current-period changes of assumptions	0
Member contributions	0
Projected earnings on plan investments	(3,265)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(467)
Administrative expense	353
Other	0
Recognition of beginning deferred outflows and inflows of resources as pension expense	<u>247</u>
Pension Expense	<u>\$1,160</u>





SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

There are several tables of Required Supplementary Information (RSI) that need to be included in the Fund's financial statements.

Paragraph 46: The required tables are provided in Schedule A.

Paragraph 47: In addition the following should be noted regarding the RSI:

Changes of benefit terms: None.

Changes of assumptions:

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

A new funding policy was adopted by the Board on March 15, 2018. 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 and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the Fund based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rates of mortality, retirement, and withdrawal. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes were first reflected in the calculation of the June 30, 2021 Total Pension Liability.





SECTION V – REQUIRED SUPPLEMENTARY INFORMATION

Methods and assumptions used in calculations of actuarially determined contributions.

The actuarially determined contributions 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, 2025 employer contributions were determined in the June 30, 2022 valuation). The following actuarial methods and assumptions were used to determine the most recent contributions reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	12.0 years
Asset valuation method	5-year smoothed fair value
Inflation	2.50 percent
Salary increase	N/A
Investment rate of return	7.20 percent, net of pension plan investment expense, including inflation





SCHEDULE A – REQUIRED SUPPLEMENTARY INFORMATION TABLES

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) (\$ in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total pension liability										
Service Cost	\$ 73	\$ 89	\$ 84	\$ 97	\$ 95	\$ 106	\$ 155	\$ 153	\$ 152	\$ 153
Interest	2,465	2,732	2,964	3,109	3,284	3,443	3,778	3,966	4,142	4,267
Benefit changes	-	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	950	1,356	116	450	162	142	313	49	(785)	(1,034)
Changes of assumptions	1,082	-	1,093	-	-	4,593	-	-	-	-
Benefit payments	(963)	(1,042)	(1,138)	(1,221)	(1,297)	(1,428)	(1,527)	(1,616)	(1,679)	(1,754)
Refunds of contributions	-	-	-	-	-	-	-	-	-	-
Net change in total pension liability	3,607	3,135	3,119	2,435	2,244	6,856	2,719	2,552	1,830	1,632
Total pension liability - beginning	33,343	36,950	40,085	43,204	45,639	47,883	54,739	57,458	60,010	61,840
Total pension liability - ending (a)	\$ 36,950	\$ 40,085	\$ 43,204	\$ 45,639	\$ 47,883	\$ 54,739	\$ 57,458	\$ 60,010	\$ 61,840	\$ 63,472
Plan net position										
Contributions - employer	\$ 1,990	\$ 2,018	\$ 2,377	\$ 2,537	\$ 2,611	\$ 2,684	\$ 2,697	\$ 2,841	\$ 2,793	\$ 2,781
Contributions - member	-	-	-	-	-	-	-	-	-	-
Net investment income	240	2,262	1,928	1,683	1,485	8,709	(4,693)	4,012	5,661	5,601
Benefit payments	(963)	(1,042)	(1,138)	(1,221)	(1,297)	(1,428)	(1,527)	(1,616)	(1,679)	(1,754)
Administrative expense	(262)	(244)	(225)	(235)	(249)	(255)	(266)	(289)	(306)	(353)
Refunds of contributions	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan net position	1,005	2,994	2,942	2,764	2,550	9,710	(3,789)	4,948	6,469	6,275
Plan net position - beginning	16,712	17,717	20,711	23,653	26,417	28,967	38,677	34,888	39,836	46,305
Plan net position - ending (b)	\$ 17,717	\$ 20,711	\$ 23,653	\$ 26,417	\$ 28,967	\$ 38,677	\$ 34,888	\$ 39,836	\$ 46,305	\$ 52,580
Net pension liability (asset)- ending (a) - (b)	\$ 19,233	\$ 19,374	\$ 19,551	\$ 19,222	\$ 18,916	\$ 16,062	\$ 22,570	\$ 20,174	\$ 15,535	\$ 10,892





SCHEDULE A – REQUIRED SUPPLEMENTARY INFORMATION TABLES

SCHEDULE OF THE NET PENSION LIABILITY(ASSET) (\$ in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total pension liability	\$ 36,950	\$ 40,085	\$ 43,204	\$ 45,639	\$ 47,883	\$ 54,739	\$ 57,458	\$ 60,010	\$ 61,840	\$ 63,472
Plan net position	17,717	20,711	23,653	26,417	28,967	38,677	34,888	39,836	46,305	52,580
Net pension liability (asset)	\$ 19,233	\$ 19,374	\$ 19,551	\$ 19,222	\$ 18,916	\$ 16,062	\$ 22,570	\$ 20,174	\$ 15,535	\$ 10,892
Ratio of plan net position to total pension liability	47.95%	51.67%	54.75%	57.88%	60.50%	70.66%	60.72%	66.38%	74.88%	82.84%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability (asset) as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A





SCHEDULE A – REQUIRED SUPPLEMENTARY INFORMATION TABLES

SCHEDULE OF EMPLOYER CONTRIBUTIONS (\$ in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined employer contribution	\$ 2,781	\$ 2,793	\$ 2,841	\$ 2,697	\$ 2,684	\$ 2,611	\$ 2,537	\$ 2,377	\$ 2,018	\$ 1,990
Actual employer contributions	<u>2,781</u>	<u>2,793</u>	<u>2,841</u>	<u>2,697</u>	<u>2,684</u>	<u>2,611</u>	<u>2,537</u>	<u>2,377</u>	<u>2,018</u>	<u>1,990</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A





SCHEDULE B – SUMMARY OF BENEFIT PROVISIONS EVALUATED

MEMBERSHIP

All persons who are members of the Georgia National Guard on and after July 1, 2002 are Members of the Fund.

BENEFITS

Retirement Allowance

Condition for Allowance

A member who has attained age 60 and has completed 20 or more years of creditable service, including at least 15 years, 10 of which immediately precede discharge, of Georgia National Guard duty, and who has received an honorable discharge, is entitled to a monthly allowance.

Amount of Allowance

The amount of the allowance is equal to \$50 per month for 20 years' creditable service with an additional \$5 per month for each additional year of creditable service, provided that the total allowance shall not exceed \$100 per month. The allowance is payable for the life of the member.

Deferred Retirement Allowance

Condition for Allowance

A member whose service is terminated after he has 20 years of creditable service, including at least 15 years, 10 of which immediately precede discharge, of Georgia National Guard duty, and who has received an honorable discharge, is eligible to receive a deferred retirement allowance commencing at age 60.

Amount of Allowance

The amount is the same as that for a service retirement.

CONTRIBUTIONS

The State makes annual contributions sufficient to meet the cost of the benefits under the Fund.





SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial assumptions and methods adopted by the Board December 17, 2020. Valuation interest rate based on the long-term assumed investment rate of return as adopted by the Board. The combined effect of the assumptions is expected to have no significant bias.

VALUATION INTEREST RATE: 7.00% per annum, compounded annually, net of investment expenses, composed of a 2.50% inflation assumption and a 4.50% real rate of investment return assumption.

SEPARATIONS FROM ACTIVE SERVICE: Representative values of the assumed annual rates of separation from active service are as follows:

RATES OF WITHDRAWAL FROM ACTIVE SERVICE	
SERVICE	RATES
2 & Under	11.5%
3-7	17.0
8-9	13.0
10-14	11.5
15-19	8.5
20 & Over	15.5

AGE	RATES OF RETIREMENT
60	75.0%
61	75.0
62	60.0
63	50.0
64	50.0
65 and over	100.0





SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS

RATES OF DEATH BEFORE RETIREMENT: The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 Projection Scale is used for both males and females while in active service. Representative values of the assumed annual rates of mortality while in active service are as follows:

Age	Annual Rates of Death*				
	Males	Females	Age	Males	Females
20	0.0370%	0.0130%	45	0.0980%	0.0560%
25	0.0280	0.0090	50	0.1490	0.0830
30	0.0360	0.0150	55	0.2190	0.1230
35	0.0470	0.0230	60	0.3190	0.1860
40	0.0660	0.0360	65	0.4680	0.2960

*Base mortality rates as of 2010 before application of the improvement scale

RATES OF DEATH AFTER RETIREMENT: The Pub-2010 Family of Tables projected generationally with the MP-2019 Projection Scale and with further adjustments are used for post-retirement mortality assumptions as follows:

Participant Type	Membership Table	Set Forward (+)/ Setback (-)	Adjustment to Rates
Service Retirees	General Healthy Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%





SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS

Representative values of the assumed annual rates of mortality are as follows:

Age	Annual Rates of Death*	
	Males	Females
50	0.3371%	0.2516%
55	0.4861	0.3251
60	0.6941	0.4493
65	1.0532	0.7366
70	1.7882	1.2863
75	3.1448	2.2799
80	5.6427	4.0900
85	10.0958	7.6043
90	16.9785	13.8596

* Base mortality rates as of 2010 before application of the improvement scale

ADMINISTRATIVE EXPENSES: Administrative expenses equal to \$250,000 are added to the normal cost contribution.

AMORTIZATION METHOD: Level dollar amortization.

ASSET METHOD: Fair Value.

VALUATION METHOD: Entry age normal cost method.





SCHEDULE D – FUNDING POLICY OF THE GMPF BOARD OF TRUSTEES

The purpose of this Funding Policy is to state the overall objectives for the Georgia Military Pension Fund (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 GMPF 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 contributions expressed both as a total dollar amount and as a dollar amount per active member and measured by valuations prepared in accordance with applicable State laws and the principles of practice prescribed by the Actuarial Standards Board.
- To maintain an increasing funded ratio (ratio of actuarial value of assets to actuarial accrued liabilities) that reflects a trend of improved actuarial condition. The long-term objective is 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 increase over time, before adjustments for changes in benefits, actuarial methods, and/or actuarial adjustments. The target funded ratio will be 100 percent within 20 years of the valuation date for the first valuation conducted following the adoption of this Policy (i.e. the June 30, 2013 valuation date).





SCHEDULE D – FUNDING POLICY OF THE GMPF BOARD OF TRUSTEES

- **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 Contributions**
 - **Employer Normal Contributions** – the contribution determined as of the valuation date each year to fund the employer portion of the annual normal cost of the System based on the assumptions and methods adopted by the Board.
 - In each valuation subsequent to the adoption of this funding policy the required employer contributions will be determined as the summation of the employer Normal Contribution, a contribution for administrative expenses, the amortization cost for the Transitional UAAL and the individual amortization cost for each of the New Incremental UAAL bases.
 - Employer Contributions will be expressed as both a total dollar amount and as a dollar amount per active member. In no event shall the employer contributions be less than \$0.
 - The valuation methodology, including the amortization of the Unfunded Actuarial Accrued Liability (UAAL), would be expected to maintain reasonably stable contributions as a dollar per active member.

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.





SCHEDULE D – FUNDING POLICY OF THE GMPF BOARD OF TRUSTEES

- 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 contributions determined in an annual actuarial valuation will be at least sufficient to satisfy the annual normal cost of the System and amortize the UAAL as a level dollar amount over a period not to exceed 20 years (for the UAAL as of the June 30, 2013 valuation date, and for each successive year of gains and losses incurred in years following the June 30, 2013 valuation date). However, in no event shall the employer contributions 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

