











































**Method 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, 2021 employer contributions are based on June 30, 2018 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 dollar, closed
Remaining amortization period	20.4 years
Asset valuation method	5-year smoothed fair value
Inflation	2.75 percent
Salary increase	N/A
Investment rate of return	7.30 percent, net of pension plan investment expense, including inflation
Post-Retirement Benefit Increases	1.50 percent, semi-annually



**SCHEDULE A**

**GEORGIA PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM**  
**Schedule of Employer Allocations as of June 30, 2021**

<b>Employers</b>	<b>2021 State Pension Support Provided To The Districts</b>	<b>Employer Allocation Percentage</b>
Appling County Schools	\$ 56,468	0.186585%
Atkinson County Schools	35,763	0.118170%
Bacon County Schools	37,645	0.124390%
Baker County Schools	6,588	0.021768%
Baldwin County Schools	93,172	0.307865%
Banks County Schools	62,115	0.205243%
Barrow County Schools	254,106	0.839631%
Bartow County Schools	279,516	0.923594%
Ben Hill County Schools	63,997	0.211463%
Berrien County Schools	53,644	0.177255%
Bibb County Schools	531,740	1.757005%
Bleckley County Schools	76,232	0.251889%
Brantley County Schools	92,231	0.304755%
Brooks County Schools	47,057	0.155487%
Bryan County Schools	184,462	0.609510%
Bulloch County Schools	242,812	0.802314%
Burke County Schools	122,347	0.404267%
Butts County Schools	79,996	0.264328%
Calhoun County Schools	19,764	0.065305%
Camden County Schools	179,756	0.593961%
Candler County Schools	33,881	0.111951%
Carroll County Schools	223,048	0.737009%
Catoosa County Board of Education	282,340	0.932923%
Charlton County Schools	31,058	0.102622%
Chatham County Schools	803,727	2.655720%
Chattahoochee County Schools	14,117	0.046646%
Chattooga County Schools	47,057	0.155487%
Cherokee County Schools	607,972	2.008894%
Clarke County Schools	380,218	1.256336%
Clay County Schools	9,411	0.031097%
Clayton County Schools	1,043,716	3.448704%
Clinch County Schools	25,411	0.083963%
Cobb County Schools	1,931,204	6.381191%
Coffee County Schools	125,171	0.413596%
Colquitt County Schools	173,168	0.572193%
Columbia County Schools	572,209	1.890724%
Cook County Schools	63,056	0.208353%
Coweta County Schools	541,151	1.788102%



Employers	2021 State Pension Support Provided To The Districts	Employer Allocation Percentage
Crawford County Schools	\$ 42,351	0.139938%
Crisp County Schools	94,113	0.310974%
Dade County Schools	44,233	0.146158%
Dawson County Schools	79,996	0.264328%
Decatur County Schools	138,346	0.457132%
Dekalb County Schools	1,868,148	6.172839%
Dodge County Schools	60,233	0.199024%
Dooly County Schools	39,528	0.130609%
Dougherty County Schools	348,219	1.150605%
Douglas County Schools	388,688	1.284324%
Early County Schools	44,233	0.146158%
Echols County Schools	12,235	0.040427%
Effingham County Schools	208,931	0.690363%
Elbert County Schools	63,056	0.208353%
Emanuel County Schools	95,996	0.317194%
Evans County Schools	38,586	0.127499%
Fannin County Schools	77,173	0.254999%
Fayette County Schools	334,102	1.103959%
Floyd County Schools	138,346	0.457132%
Forsyth County Schools	857,372	2.832976%
Franklin County Schools	79,055	0.261218%
Gilmer County Schools	91,290	0.301645%
Glascocock County Schools	17,881	0.059085%
Glynn County Schools	316,221	1.044874%
Gordon County Schools	90,349	0.298535%
Grady County Schools	80,937	0.267438%
Greene County Schools	45,174	0.149268%
Gwinnett County Schools	3,088,798	10.206174%
Habersham County Schools	171,286	0.565973%
Hall County Schools	422,569	1.396275%
Hancock County Schools	39,528	0.130609%
Haralson County Schools	48,939	0.161707%
Harris County Schools	115,759	0.382498%
Hart County Schools	95,054	0.314084%
Heard County Schools	42,351	0.139938%
Henry County Schools	435,744	1.439811%
Houston County Schools	716,202	2.366514%
Irwin County Schools	21,646	0.071524%
Jackson County Schools	187,285	0.618839%
Jasper County Schools	63,997	0.211463%
Jeff Davis County Schools	64,938	0.214572%
Jefferson County Schools	65,879	0.217682%



Employers	2021 State Pension Support Provided To The Districts	Employer Allocation Percentage
Jenkins County Schools	\$ 26,352	0.087073%
Johnson County Schools	29,175	0.096402%
Jones County Schools	112,936	0.373169%
Lamar County Schools	54,586	0.180365%
Lanier County Schools	28,234	0.093292%
Laurens County Schools	153,405	0.506888%
Lee County Schools	138,346	0.457132%
Liberty County Schools	239,989	0.792984%
Lincoln County Schools	42,351	0.139938%
Long County Schools	80,937	0.267438%
Lowndes County Schools	232,460	0.768106%
Lumpkin County Schools	92,231	0.304755%
Macon County Schools	37,645	0.124390%
Madison County Schools	99,760	0.329633%
Marion County Schools	32,940	0.108841%
Mcduffie County Schools	96,937	0.320304%
Mcintosh County Schools	30,116	0.099512%
Meriwether County Schools	81,879	0.270548%
Miller County Schools	26,352	0.087073%
Mitchell County Schools	41,410	0.136829%
Monroe County Schools	139,288	0.460242%
Montgomery County Schools	22,587	0.074634%
Morgan County Schools	63,056	0.208353%
Murray County Schools	95,054	0.314084%
Muscogee County Schools	613,618	2.027552%
Newton County Schools	372,688	1.231458%
Oconee County Schools	156,228	0.516217%
Oglethorpe County Schools	63,056	0.208353%
Paulding County Schools	490,330	1.620176%
Peach County Schools	45,174	0.149268%
Pickens County Schools	88,467	0.292316%
Pierce County Schools	65,879	0.217682%
Pike County Schools	40,469	0.133719%
Polk County Schools	100,701	0.332742%
Pulaski County Schools	35,763	0.118170%
Putnam County Schools	84,702	0.279877%
Quitman County Schools	9,411	0.031097%
Rabun County Schools	68,703	0.227011%
Randolph County Schools	22,587	0.074634%
Richmond County Schools	649,382	2.145723%
Rockdale County Schools	345,396	1.141276%
Schley County Schools	16,940	0.055975%



Employers	2021 State Pension Support Provided To The Districts	Employer Allocation Percentage
Screven County Schools	\$ 48,939	0.161707%
Seminole County Schools	38,586	0.127499%
Spalding County Schools	249,400	0.824082%
Stephens County Schools	92,231	0.304755%
Stewart County Schools	12,235	0.040427%
Sumter County Schools	115,759	0.382498%
Talbot County Schools	16,940	0.055975%
Taliaferro County Schools	6,588	0.021768%
Tattnall County Schools	80,937	0.267438%
Taylor County Schools	37,645	0.124390%
Telfair County Schools	39,528	0.130609%
Terrell County Schools	44,233	0.146158%
Thomas County Schools	124,229	0.410486%
Tift County Schools	87,525	0.289206%
Toombs County Schools	47,057	0.155487%
Towns County Schools	34,822	0.115060%
Treutlen County Schools	16,940	0.055975%
Troup County Schools	358,572	1.184812%
Turner County Schools	25,411	0.083963%
Twiggs County Schools	16,940	0.055975%
Union County Schools	69,644	0.230121%
Upson County Schools	132,700	0.438474%
Walker County Schools	232,460	0.768106%
Walton County Schools	299,280	0.988898%
Ware County Schools	143,993	0.475791%
Warren County Schools	15,058	0.049756%
Washington County Board of Education	51,762	0.171036%
Wayne County Schools	122,347	0.404267%
Webster County Schools	941	0.003110%
Wheeler County Schools	23,528	0.077744%
White County Board of Education	67,761	0.223901%
Whitfield County Schools	169,404	0.559754%
Wilcox County Schools	31,058	0.102622%
Wilkes County Schools	47,057	0.155487%
Wilkinson County Schools	36,704	0.121280%
Worth County Schools	59,291	0.195914%
City of Bremen Schools (Haralson)	15,058	0.049756%
City of Buford Schools (Gwinnett)	90,349	0.298535%
City of Calhoun Schools (Gordon)	31,058	0.102622%
City of Carrollton Schools (Carroll)	82,820	0.273657%
City of Cartersville Schools (Bartow)	49,880	0.164816%
City of Chickamauga Schools (West)	21,646	0.071524%





<b>Employers</b>	<b>2021 State Pension Support Provided To The Districts</b>	<b>Employer Allocation Percentage</b>
City of Commerce Schools (Jackson)	\$ 22,587	0.074634%
City of Dalton Schools (Whitfield)	67,761	0.223901%
City of Decatur Schools (DeKalb)	110,113	0.363840%
City of Dublin Schools (Laurens)	39,528	0.130609%
City of Gainesville Schools (Hall)	111,995	0.370059%
City of Jefferson Schools (Jackson)	35,763	0.118170%
City of Marietta Schools (Cobb)	95,996	0.317194%
City of Pelham Schools (Mitchell)	21,646	0.071524%
City of Rome Schools (Floyd)	111,054	0.366950%
City of Social Circle Schools (Walton)	23,528	0.077744%
City of Thomasville Schools (Thomas)	25,411	0.083963%
City of Trion Schools (Chattooga)	18,823	0.062195%
City of Valdosta Schools (Lowndes)	173,168	0.572193%
City of Vidalia Schools (Toomb)	37,645	0.124390%
Scintilla Charter Academy	1,882	0.006219%
School for Arts Infused Learning	2,823	0.009329%
Furrow Charter School	3,765	0.012439%
Georgia Magnet Charter School	1,882	0.006219%
Georgia Military College	62,115	0.205243%
Kipp Metro Atlanta Collaborative Inc	37,645	0.124390%
The Globe Academy	<u>941</u>	<u>0.003110%</u>
Total State of Georgia	\$ <u>30,264,000</u>	<u>100.000000%</u>



**SCHEDULE B**

**GEORGIA PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM**  
**Schedule of Pension Amounts by Employer as of June 30, 2021**

<b>Employers</b>	<b>State's Proportionate Share Of the Net Pension Liability (Asset) Associated with the District</b>		<b>Employer Pension Expense and Revenue for State Support</b>
Appling County Schools	\$	45,613	\$ 480
Atkinson County Schools		28,888	304
Bacon County Schools		30,408	320
Baker County Schools		5,321	56
Baldwin County Schools		75,261	791
Banks County Schools		50,174	527
Barrow County Schools		205,256	2,158
Bartow County Schools		225,782	2,374
Ben Hill County Schools		51,694	543
Berrien County Schools		43,332	456
Bibb County Schools		429,517	4,516
Bleckley County Schools		61,577	647
Brantley County Schools		74,500	783
Brooks County Schools		38,010	400
Bryan County Schools		149,001	1,566
Bulloch County Schools		196,134	2,062
Burke County Schools		98,827	1,039
Butts County Schools		64,618	679
Calhoun County Schools		15,964	168
Camden County Schools		145,200	1,526
Candler County Schools		27,368	288
Carroll County Schools		180,169	1,894
Catoosa County Board of Education		228,062	2,398
Charlton County Schools		25,087	264
Chatham County Schools		649,217	6,825
Chattahoochee County Schools		11,403	120
Chattooga County Schools		38,010	400
Cherokee County Schools		491,094	5,163
Clarke County Schools		307,124	3,229
Clay County Schools		7,602	80
Clayton County Schools		843,071	8,862
Clinch County Schools		20,526	216
Cobb County Schools		1,559,948	16,398
Coffee County Schools		101,108	1,063
Colquitt County Schools		139,878	1,471
Columbia County Schools		462,206	4,859
Cook County Schools		50,934	535
Coweta County Schools		437,119	4,595



Employers	State's Proportionate Share Of the Net Pension Liability (Asset) Associated with the District		Employer Pension Expense and Revenue for State Support
Crawford County Schools	\$	34,209	\$ 360
Crisp County Schools		76,021	799
Dade County Schools		35,730	376
Dawson County Schools		64,618	679
Decatur County Schools		111,750	1,175
Dekalb County Schools		1,509,014	15,862
Dodge County Schools		48,653	511
Dooly County Schools		31,929	336
Dougherty County Schools		281,277	2,957
Douglas County Schools		313,966	3,301
Early County Schools		35,730	376
Echols County Schools		9,883	104
Effingham County Schools		168,766	1,774
Elbert County Schools		50,934	535
Emanuel County Schools		77,541	815
Evans County Schools		31,168	328
Fannin County Schools		62,337	655
Fayette County Schools		269,874	2,837
Floyd County Schools		111,750	1,175
Forsyth County Schools		692,549	7,281
Franklin County Schools		63,857	671
Gilmer County Schools		73,740	775
Glascocock County Schools		14,444	152
Glynn County Schools		255,430	2,685
Gordon County Schools		72,980	767
Grady County Schools		65,378	687
Greene County Schools		36,490	384
Gwinnett County Schools		2,495,005	26,227
Habersham County Schools		138,358	1,455
Hall County Schools		341,333	3,588
Hancock County Schools		31,929	336
Haralson County Schools		39,531	416
Harris County Schools		93,505	983
Hart County Schools		76,781	807
Heard County Schools		34,209	360
Henry County Schools		351,976	3,700
Houston County Schools		578,518	6,082
Irwin County Schools		17,485	184
Jackson County Schools		151,281	1,590
Jasper County Schools		51,694	543
Jeff Davis County Schools		52,454	551
Jefferson County Schools		53,215	559



<b>Employers</b>	<b>State's Proportionate Share Of the Net Pension Liability (Asset) Associated with the District</b>		<b>Employer Pension Expense and Revenue for State Support</b>
Jenkins County Schools	\$	21,286	\$ 224
Johnson County Schools		23,566	248
Jones County Schools		91,225	959
Lamar County Schools		44,092	464
Lanier County Schools		22,806	240
Laurens County Schools		123,914	1,303
Lee County Schools		111,750	1,175
Liberty County Schools		193,853	2,038
Lincoln County Schools		34,209	360
Long County Schools		65,378	687
Lowndes County Schools		187,771	1,974
Lumpkin County Schools		74,500	783
Macon County Schools		30,408	320
Madison County Schools		80,582	847
Marion County Schools		26,607	280
Mcduffie County Schools		78,302	823
Mcintosh County Schools		24,327	256
Meriwether County Schools		66,138	695
Miller County Schools		21,286	224
Mitchell County Schools		33,449	352
Monroe County Schools		112,511	1,183
Montgomery County Schools		18,245	192
Morgan County Schools		50,934	535
Murray County Schools		76,781	807
Muscogee County Schools		495,655	5,211
Newton County Schools		301,042	3,165
Oconee County Schools		126,194	1,327
Oglethorpe County Schools		50,934	535
Paulding County Schools		396,068	4,164
Peach County Schools		36,490	384
Pickens County Schools		71,460	751
Pierce County Schools		53,215	559
Pike County Schools		32,689	344
Polk County Schools		81,342	855
Pulaski County Schools		28,888	304
Putnam County Schools		68,419	719
Quitman County Schools		7,602	80
Rabun County Schools		55,495	583
Randolph County Schools		18,245	192
Richmond County Schools		524,543	5,515
Rockdale County Schools		278,996	2,933
Schley County Schools		13,684	144



Employers	State's Proportionate Share Of the Net Pension Liability (Asset) Associated with the District		Employer Pension Expense and Revenue for State Support
Screven County Schools	\$	39,531	\$ 416
Seminole County Schools		31,168	328
Spalding County Schools		201,455	2,118
Stephens County Schools		74,500	783
Stewart County Schools		9,883	104
Sumter County Schools		93,505	983
Talbot County Schools		13,684	144
Taliaferro County Schools		5,321	56
Tattall County Schools		65,378	687
Taylor County Schools		30,408	320
Telfair County Schools		31,929	336
Terrell County Schools		35,730	376
Thomas County Schools		100,347	1,055
Tift County Schools		70,699	743
Toombs County Schools		38,010	400
Towns County Schools		28,128	296
Treutlen County Schools		13,684	144
Troup County Schools		289,639	3,045
Turner County Schools		20,526	216
Twiggs County Schools		13,684	144
Union County Schools		56,255	591
Upton County Schools		107,189	1,127
Walker County Schools		187,771	1,974
Walton County Schools		241,746	2,541
Ware County Schools		116,312	1,223
Warren County Schools		12,163	128
Washington County Board of Education		41,811	440
Wayne County Schools		98,827	1,039
Webster County Schools		760	8
Wheeler County Schools		19,005	200
White County Board of Education		54,735	575
Whitfield County Schools		136,837	1,439
Wilcox County Schools		25,087	264
Wilkes County Schools		38,010	400
Wilkinson County Schools		29,648	312
Worth County Schools		47,893	503
City of Bremen Schools (Haralson)		12,163	128
City of Buford Schools (Gwinnett)		72,980	767
City of Calhoun Schools (Gordon)		25,087	264
City of Carrollton Schools (Carroll)		66,898	703
City of Cartersville Schools (Bartow)		40,291	424
City of Chickamauga Schools (West)		17,485	184



<b>Employers</b>	<b>State's Proportionate Share Of the Net Pension Liability (Asset) Associated with the District</b>		<b>Employer Pension Expense and Revenue for State Support</b>
City of Commerce Schools (Jackson)	\$	18,245	\$ 192
City of Dalton Schools (Whitfield)		54,735	575
City of Decatur Schools (DeKalb)		88,944	935
City of Dublin Schools (Laurens)		31,929	336
City of Gainesville Schools (Hall)		90,465	951
City of Jefferson Schools (Jackson)		28,888	304
City of Marietta Schools (Cobb)		77,541	815
City of Pelham Schools (Mitchell)		17,485	184
City of Rome Schools (Floyd)		89,705	943
City of Social Circle Schools (Walton)		19,005	200
City of Thomasville Schools (Thomas)		20,526	216
City of Trion Schools (Chattooga)		15,204	160
City of Valdosta Schools (Lowndes)		139,878	1,471
City of Vidalia Schools (Toomb)		30,408	320
Scintilla Charter Academy		1,520	16
School for Arts Infused Learning		2,281	24
Furlow Charter School		3,041	32
Georgia Magnet Charter School		1,520	16
Georgia Military College		50,174	527
Kipp Metro Atlanta Collaborative Inc		30,408	320
The Globe Academy		<u>760</u>	<u>8</u>
Total State of Georgia	\$	<u>24,446,000</u>	\$ <u>257,000</u>



## **SCHEDULE C**

### **SUMMARY OF MAIN PLAN PROVISIONS**

The Georgia Public School Employees Retirement System (PSERS) is a cost-sharing multiple employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances and other benefits for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia.

#### Normal Retirement Benefit

Eligibility	Age 65 and 10 years of creditable service.
Benefit	Monthly benefit is \$15.00 multiplied by years of creditable service for members retiring before August 1, 2012 and \$15.50 multiplied by years of creditable service for members retiring on or after August 1, 2012. For members with retirement dates prior to July 1, 2013, a one-time 1.75% increase is made at time of retirement.

#### Early Retirement Benefit

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

#### Disability Retirement Benefit

Eligibility	15 years of creditable service.
Benefit	Accrued benefit payable immediately.

#### Deferred Vested Retirement Benefit

Eligibility	10 years of creditable service. Member contributions not withdrawn.
Benefit	Accrued benefit deferred to age 65 or reduced benefit payable at age 60.

#### Death Benefit

Eligibility	Death in service and the member is at least age 60 and has at least 10 years of creditable service.
Benefit	Benefit payable to beneficiary under the joint and survivor annuity payment option.

If the member dies in service under age 60 or with less than 10 years of creditable service his beneficiary receives a refund of the member's accumulated contributions.



Termination Benefit

Eligibility Less than 10 years of creditable service.

Benefit Return of the member's accumulated contributions.

Payment Options

- (1) Life annuity. Guaranteed payment of accumulated member contributions.
- (2) Joint and survivorship annuity.
- (3) Certain and life annuity.

Post-Retirement Adjustments The Board may from time to time grant a Cost of Living Adjustment.

Contributions

By Members Members who joined the System prior to July 1, 2012 contribute \$4 per month. Members joining the System on or after July 1, 2012 contribute \$10 per month.

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





**SCHEDULE D**

**STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS**

**Actuarial assumptions and methods adopted by the Board on December 17, 2020. Valuation interest rate based on the long-term assumed investment rate of return as adopted by the Board.**

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

Annual Rates of Withdrawal				
Age	Years of Service			Disability
	<u>0-4</u>	<u>5-9</u>	<u>10 &amp; Over</u>	
	<u>Males</u>			<u>Males</u>
20	34.00%			0.0000%
25	31.00	19.00%		0.0000
30	27.50	17.00	12.50%	0.0000
35	24.50	15.50	9.00	0.0018
40	22.00	13.50	8.25	0.0110
45	21.00	12.50	7.00	0.0330
50	18.50	11.00	7.00	0.0770
55	15.25	9.00	6.00	0.2250
60	13.50	9.00		0.2500
<u>Females</u>				
20	35.00%			0.0000%
25	31.00	20.00%		0.0000
30	25.00	16.50	10.00%	0.0000
35	22.00	15.00	10.00	0.0018
40	20.00	14.00	9.00	0.0110
45	18.00	12.00	8.00	0.0330
50	16.25	10.00	7.00	0.0770
55	13.50	9.00	6.00	0.2250
60	13.00	9.00		0.2500



**RETIREMENT:**

Age	Annual Rate	Age	Annual Rate
60	12.0%	71	25.0%
61	12.0	72	25.0
62	21.0	73	25.0
63	17.0	74	25.0
64	15.0	75	25.0
65	26.0	76	25.0
66	26.0	77	25.0
67	22.0	78	25.0
68	22.0	79	25.0
69	23.5	80 & Over	100.0
70	25.0		

**RATES OF DEATH BEFORE RETIREMENT:** The Pub-2010 Below-Median General Employee Table, with no adjustments, projected generationally with the MP-2019 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*				Age	Males	Females
	Males	Females	Males	Females			
20	0.0410 %	0.0130 %	45	0.1430 %	0.0720 %		
25	0.0410	0.0120	50	0.2180	0.1070		
30	0.0520	0.0190	55	0.3200	0.1570		
35	0.0680	0.0300	60	0.4660	0.2380		
40	0.0960	0.0470	65	0.6820	0.3800		

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



**RATES OF DEATHS AFTER RETIREMENT:** The Pub-2010 Family of Tables projected generationally with the MP-2019 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 Below-Median Annuitant	Male: +2; Female: +2	Male: 101%; Female: 103%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Below-Median Contingent Survivors	Male: +2; Female: +2	Male: 104%; Female: 99%

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

Annual Rates of Death*						
Age	Service Retirement		Disability Retirement		Beneficiaries	
	Males	Females	Males	Females	Males	Females
50	0.7989%	0.4532%	1.2576%	1.5720%	0.9984%	0.5930%
55	0.9837	0.5037	1.8725	1.8465	1.1523	0.7742
60	1.1726	0.6015	2.3484	2.0734	1.4258	1.0237
65	1.5736	0.8827	2.7573	2.3914	1.9978	1.4147
70	2.5785	1.5296	3.4536	3.0337	3.0680	2.0731
75	4.3329	2.6770	4.4743	4.2432	4.7414	3.1878
80	7.4043	4.7679	6.0986	6.3674	7.3944	5.1450
85	12.4301	8.7849	8.8220	9.8909	11.8154	8.7684
90	19.3173	15.3594	12.9831	14.4849	19.0320	14.3778

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

**ADMINISTRATIVE EXPENSES:** Administrative expenses equal to \$1,400,000 are added to the normal cost contribution.

**AMORTIZATION METHOD:** Level dollar amortization.



**ASSET METHOD:** Fair Value.

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

**COST-OF-LIVING ADJUSTMENT (COLA):** 1.50% semi-annually.

**TERMINATING VESTED MEMBERS:** 25% of active vested members who terminate are assumed to elect a refund in lieu of a benefit. Benefits are assumed to begin at age 65.



## SCHEDULE E

### **Funding Policy of the PSERS Board of Trustees**

The purpose of this Funding Policy is to state the overall objectives for the Public School Employees 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 PSERS 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 as both 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 25 years of the valuation date for the first valuation conducted following the adoption of this Policy (i.e. the June 30, 2013 valuation date).
- **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 25-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 25-year period beginning with the year it is incurred.
  - Effective with the June 30, 2020 valuation date, any New Incremental UAAL which is attributable to the granting of any post-retirement benefit adjustment (PRBA), including COLAs and one-time (non-compounded) payments, shall be amortized over a closed 15-year period. The amortization period shall begin with the year such PRBA is granted by the Board.
- **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.
- 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 25 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: December 17, 2020