

Georgia Public School Employees Retirement System

GASB Statement No. 68 Report



Prepared as of June 30, 2024



April 14, 2025

Board of Trustees
Georgia Public School Employees Retirement System
Two Northside 75, Suite 300
Atlanta, GA 30318-7701

Members of the Board:

Presented in this report is information to assist the Georgia Public School Employees Retirement System (PSERS) 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. The information is presented for the period ending June 30, 2024 (the Measurement Date).

GASB Statement No. 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 (Asset), was performed as of June 30, 2023. The valuation was based upon 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 System.

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 System and on actuarial assumptions that are, individually and in the aggregate, internally consistent and reasonably 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. 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.

The calculation of the liability associated with the benefits described in this report was performed for the purpose of providing reporting and disclosure information that satisfies the requirements of GASB 67 and GASB 68 for accounting valuation purposes 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.

Respectfully submitted,

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

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

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

Ben Mobley, ASA, FCA, MAAA
Consulting Actuary



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SECTION I - INTRODUCTION

REPORT OF THE ANNUAL GASB STATEMENT NO. 68 REQUIRED INFORMATION FOR THE EMPLOYERS PARTICIPATING IN THE GEORGIA PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM

PREPARED AS OF JUNE 30, 2024

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

This report, prepared as of June 30, 2024 (the Measurement Date), presents information to assist the employers participating in PSERS in meeting the requirements of GASB 68 for the fiscal year ending June 30, 2025 (the Reporting Date). Much of the material provided in this report is based on the data, assumptions and results of the annual actuarial valuation of PSERS as of June 30, 2023. The results of that valuation were detailed in a report dated April 18, 2024.

The Net Pension Liability (Asset) (NPL) shown in the GASB Statement No. 67 Report for the Georgia Public School Employees Retirement System prepared as of June 30, 2024 and submitted September 12, 2024 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 beginning of the measurement period, 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 nonemployer contributing entities' financial statements. The development of the collective deferred inflows and outflows is shown in Section III.





SECTION I - INTRODUCTION

These collective amounts have been allocated based on employer contributions made to PSERS during the measurement period to determine the proportionate share associated with each participating employer. The State makes all contributions to PSERS on behalf of employees of the participating districts. Therefore, these employers are considered to be in a special funding situation as defined by GASB 68 and the State is treated as a nonemployer contributing entity in PSERS. Since the districts do not contribute directly to the PSERS, there is no NPL or deferred inflows or outflows to report in the financial statements of the districts. However, the notes to the financial statements must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective NPL that is associated with the employer. In addition, each district must recognize the total PE associated with the district as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective PE associated with the district.

Schedule A of this report shows the total amount of nonemployer contributions from the State as support provided to the districts for the year ending June 30, 2024. 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 associated with each participating employer and the employer PE and revenue for State support for 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)	
Valuation Date (VD):	June 30, 2023
Measurement Date (MD):	June 30, 2024
Reporting Date (RD):	June 30, 2025
Single Equivalent Interest Rate (SEIR):	
Long-Term Expected Rate of Return	7.00%
Municipal Bond Index Rate at Measurement Date	3.94%
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)	\$ 1,346,366
Fiduciary Net Position (FNP)	<u>1,211,999</u>
Net Pension Liability (Asset) (NPL = TPL – FNP)	\$ 134,367
FNP as a percentage of TPL	90.02%
Collective Pension Expense (PE):	\$ 31,078
Deferred Outflows of Resources:	\$ 0
Deferred Inflows of Resources:	\$ 40,334





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. The complete set of actuarial assumptions utilized in developing the TPL are outlined in Schedule D. The key actuarial assumptions are summarized below:

Inflation	2.50 percent
Salary increases, including inflation	N/A
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation
Post-Retirement Benefit Increases	1.50 percent, semi-annually

Mortality rates are as follows:

- The Pub-2010 Below-Median 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 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%

The actuarial assumptions used in the June 30, 2023 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





SECTION III - NOTES TO FINANCIAL STATEMENTS

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%.

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 as provided by the System for each major asset class are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed Income	30.0%	1.5%
US Large Stocks	46.4%	9.1%
US Small Stocks	1.1%	13.0%
Int'l Developed Mkt Stocks	13.6%	9.1%
Int'l Emerging Mkt Stocks	3.9%	11.1%
Alternatives	5.0%	10.6%
Total	100.0%	

*Net of inflation.

Discount rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that nonemployer contributions will be made equal to the actuarially determined employer contribution. 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.





SECTION III - NOTES TO FINANCIAL STATEMENTS

Paragraph 78 (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 System, calculated using the discount rate of 7.00 percent, as well as what the System'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%)
System's Net Pension Liability (Asset)	\$287,236	\$134,367	\$6,532

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 nonemployer 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, 2023 is the actuarial valuation date upon which the TPL is based. An expected TPL is determined as of June 30, 2024 using standard roll-forward techniques. The procedure used to determine the TPL as of June 30, 2024 is shown on page 7 of the GASB 67 report for PSERS submitted on September 12, 2024.

Paragraph 80(d): There were no changes in the assumptions that affected the measurement of the TPL since the prior measurement date.

Paragraph 80(e): Since the previous measurement date, the monthly benefit accrual rate has been increased from \$16.00 to \$16.50 per year of creditable service effective July 1, 2023 for members retiring on or after August 1, 2012.

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.





SECTION III - NOTES TO FINANCIAL STATEMENTS

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 the amounts 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 measurement period. 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. 100% of these amounts are allocated to the State.

	Collective Deferred Outflows of Resources (\$ thousands)	Collective Deferred Inflows of Resources (\$ thousands)
Differences between expected and actual experience	\$0	\$1,734
Changes of actuarial assumptions	0	0
Net difference between projected and actual earnings on plan investments	<u>0</u>	<u>38,600</u>
Total	<u>\$0</u>	<u>\$40,334</u>

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





SECTION III - NOTES TO FINANCIAL STATEMENTS

COLLECTIVE 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)
2024	\$0	\$3,660	1.9	\$0	\$0	\$0	\$3,660	\$0	\$1,926	\$0	\$1,734
2023	0	20,666	1.9	0	9,789	0	0	0	9,789	0	0
2022	0	5,427	2.0	0	0	0	0	0	0	0	0
2021	0	12,739	2.1	0	0	0	0	0	0	0	0
2020	0	12,220	2.2	0	0	0	0	0	0	0	0
Total				<u>\$0</u>	<u>\$9,789</u>	<u>\$0</u>	<u>\$3,660</u>			<u>\$0</u>	<u>\$1,734</u>





SECTION III - NOTES TO FINANCIAL STATEMENTS

COLLECTIVE 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)
2024	\$0	\$0	1.9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	0	0	1.9	0	0	0	0	0	0	0	0
2022	0	0	2.0	0	0	0	0	0	0	0	0
2021	74,759	0	2.1	0	0	0	0	0	0	0	0
2020	0	0	2.2	0	0	0	0	0	0	0	0
Total				<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>			<u>\$0</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)
2024	\$0	\$74,562	5.0	\$0	\$0	\$0	\$74,562	\$0	\$14,912	\$0	\$59,650
2023	0	42,492	5.0	0	33,994	0	0	0	8,498	0	25,496
2022	220,897	0	5.0	132,539	0	0	0	44,179	0	88,360	0
2021	0	209,066	5.0	0	83,627	0	0	0	41,813	0	41,814
2020	17,609	0	5.0	3,521	0	0	0	3,521	0	0	0
Total				<u>\$136,060</u>	<u>\$117,621</u>	<u>\$0</u>	<u>\$74,562</u>			<u>\$88,360</u>	<u>\$126,960</u>
Net difference between projected and actual earnings on investments											\$38,600





SECTION III - NOTES TO FINANCIAL STATEMENTS

Summary of Collective Deferred Outflows and Inflows (\$ thousands)					
Year	Amortization Period	Beginning Balance	Additions	Deductions	Ending Balance
Deferred Outflows of Resources:					
Difference between expected and actual experience					
2024	1.9	\$0	\$0	\$0	\$0
2023	1.9	\$0	\$0	\$0	\$0
2022	2.0	\$0	\$0	\$0	\$0
2021	2.1	\$0	\$0	\$0	\$0
2020	2.2	\$0	\$0	\$0	\$0
Difference between expected and actual assumptions					
2024	1.9	\$0	\$0	\$0	\$0
2023	1.9	\$0	\$0	\$0	\$0
2022	2.0	\$0	\$0	\$0	\$0
2021	2.1	\$0	\$0	\$0	\$0
2020	2.2	\$0	\$0	\$0	\$0
Difference between projected and actual earnings					
2024	5.0	\$0	\$0	\$0	\$0
2023	5.0	(\$33,994)	\$0	(\$33,994)	\$0
2022	5.0	\$132,539	\$0	\$132,539	\$0
2021	5.0	(\$83,627)	\$0	(\$83,627)	\$0
2020	5.0	\$3,521	\$0	\$3,521	\$0
Subtotal					\$0
Total Deferred Outflows of Resources		\$18,439	\$0	\$18,439	\$0
Deferred Inflows of Resources:					
Difference between expected and actual experience					
2024	1.9	\$0	\$3,660	\$1,926	\$1,734
2023	1.9	\$9,789	\$0	\$9,789	\$0
2022	2.0	\$0	\$0	\$0	\$0
2021	2.1	\$0	\$0	\$0	\$0
2020	2.2	\$0	\$0	\$0	\$0
Difference between expected and actual assumptions					
2024	1.9	\$0	\$0	\$0	\$0
2023	1.9	\$0	\$0	\$0	\$0
2022	2.0	\$0	\$0	\$0	\$0
2021	2.1	\$0	\$0	\$0	\$0
2020	2.2	\$0	\$0	\$0	\$0
Difference between projected and actual earnings					
2024	5.0	\$0	\$74,562	\$14,912	\$59,650
2023	5.0	\$0	\$33,994	\$8,498	\$25,496
2022	5.0	\$0	(\$132,539)	(\$44,179)	(\$88,360)
2021	5.0	\$0	\$83,627	\$41,813	\$41,814
2020	5.0	\$0	(3,521)	(3,521)	0
Subtotal					\$38,600
Total Deferred Inflows of Resources		\$9,789	\$59,783	\$29,238	\$40,334





SECTION III - NOTES TO FINANCIAL STATEMENTS

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. 100% of these amounts are allocated to the State.

Deferred Amounts to be Recognized in Fiscal Years Following the Reporting Date (\$ thousands):	
Year 1	\$(22,779)
Year 2	20,771
Year 3	(23,412)
Year 4	(14,914)
Year 5	0
Thereafter	0

Paragraph 80(j): The amount of revenue recognized for the support provided by nonemployer 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 7.00% 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, 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. For the year ended June 30, 2024, the PE recognizes the monthly benefit accrual rate increase from \$16.00 to \$16.50 per year of creditable service for members retiring on or after August 1, 2012.

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 measurement period. 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, 2024 this number of years for the active members is 6.3. The average expected remaining service life of the inactive members is zero. The number of years to use for the amortization is the weighted average for all active and inactive members, or 1.9 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 1.9 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.





SECTION IV – COLLECTIVE PENSION EXPENSE

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

Collective Pension Expense Determined as of the Measurement Date (\$ thousands)	
Service Cost at end of year	\$14,999
Interest on the TPL and net cash flow	87,563
Current-period benefit changes	34,188
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(1,926)
Expensed portion of current-period changes of assumptions	0
Member contributions	(2,479)
Projected earnings on plan investments	(75,794)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(14,912)
Administrative expense	1,839
Other	0
Recognition of beginning deferred outflows and inflows of resources as pension expense	<u>(12,400)</u>
Collective Pension Expense	<u>\$31,078</u>





SECTION V - REQUIRED SUPPLEMENTARY INFORMATION

Paragraph 82:

Changes of benefit terms.

The member contribution rate was increased from \$4 to \$10 per month for members joining the System on or after July 1, 2012.

The monthly benefit accrual rate was increased from \$14.75 to \$15.00 per year of creditable service effective July 1, 2017.

The monthly benefit accrual rate was increased from \$15.00 to \$15.25 per year of creditable service effective July 1, 2018 for members retiring on or after August 1, 2012.

The monthly benefit accrual rate was increased from \$15.25 to \$15.50 per year of creditable service effective July 1, 2019 for members retiring on or after August 1, 2012.

The monthly benefit accrual rate was increased from \$15.50 to \$15.75 per year of creditable service effective July 1, 2021 for members retiring on or after August 1, 2012.

The monthly benefit accrual rate was increased from \$15.75 to \$16.00 per year of creditable service effective July 1, 2022 for members retiring on or after August 1, 2012.

The monthly benefit accrual rate was increased from \$16.00 to \$16.50 per year of creditable service effective July 1, 2023 for members retiring on or after August 1, 2012.

Changes of assumptions.

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, and withdrawal. The expectation of retired life mortality was changed from the RP-2000 Mortality Tables to the RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females).

A new funding policy was initially adopted by the Board on March 15, 2018, and most recently amended on December 17, 2020. 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.





SECTION V - REQUIRED SUPPLEMENTARY INFORMATION

On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System 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, disability, 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.

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, 2024 employer contributions are based on June 30, 2021 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	17.5 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
Post-Retirement Benefit Increases	1.50 percent, semi-annually





SCHEDULE A – SCHEDULE OF EMPLOYER ALLOCATIONS

As of June 30, 2024

Employers	2024 State Pension Support Provided To The Districts	Employer Allocation Percentage
Appling County Schools	\$ 67,613	0.208958%
Atkinson County Schools	37,236	0.115078%
Bacon County Schools	38,216	0.118107%
Baker County Schools	8,819	0.027255%
Baldwin County Schools	90,150	0.278611%
Banks County Schools	66,633	0.205930%
Barrow County Schools	295,927	0.914570%
Bartow County Schools	281,229	0.869144%
Ben Hill County Schools	56,834	0.175646%
Berrien County Schools	52,914	0.163532%
Bibb County Schools	569,317	1.759486%
Bleckley County Schools	79,371	0.245298%
Brantley County Schools	87,210	0.269525%
Brooks County Schools	46,055	0.142334%
Bryan County Schools	222,435	0.687441%
Bulloch County Schools	255,752	0.790406%
Burke County Schools	127,386	0.393689%
Butts County Schools	80,351	0.248327%
Calhoun County Schools	17,638	0.054511%
Camden County Schools	187,159	0.578420%
Candler County Schools	51,934	0.160504%
Carroll County Schools	261,631	0.808576%
Catoosa County Board of Education	268,490	0.829775%
Charlton County Schools	33,316	0.102965%
Chatham County Schools	789,793	2.440871%
Chattahoochee County Schools	5,879	0.018170%
Chattooga County Schools	72,512	0.224100%
Cherokee County Schools	772,155	2.386360%
Clarke County Schools	428,213	1.323400%
Clay County Schools	10,779	0.033312%
Clayton County Schools	1,069,062	3.303958%
Clinch County Schools	24,497	0.075709%
Cobb County Schools	2,100,888	6.492838%
Coffee County Schools	137,185	0.423973%
Colquitt County Schools	146,004	0.451228%
Columbia County Schools	611,452	1.889707%
Cook County Schools	79,371	0.245298%





SCHEDULE A – SCHEDULE OF EMPLOYER ALLOCATIONS

Employers	2024 State Pension Support Provided To The Districts	Employer Allocation Percentage
Coweta County Schools	\$ 628,111	1.941189%
Crawford County Schools	42,135	0.130220%
Crisp County Schools	101,909	0.314951%
Dade County Schools	47,035	0.145362%
Dawson County Schools	89,170	0.275582%
Decatur County Schools	120,527	0.372490%
Dekalb County Schools	1,904,909	5.887163%
Dodge County Schools	58,794	0.181703%
Dooly County Schools	30,377	0.093880%
Dougherty County Schools	325,324	1.005421%
Douglas County Schools	416,454	1.287060%
Early County Schools	37,236	0.115078%
Echols County Schools	7,839	0.024227%
Effingham County Schools	262,611	0.811605%
Elbert County Schools	67,613	0.208958%
Emanuel County Schools	102,888	0.317979%
Evans County Schools	31,357	0.096908%
Fannin County Schools	78,391	0.242270%
Fayette County Schools	350,801	1.084159%
Floyd County Schools	122,486	0.378547%
Forsyth County Schools	928,937	2.870900%
Franklin County Schools	77,412	0.239242%
Gilmer County Schools	91,130	0.281639%
Glascok County Schools	15,678	0.048454%
Glynn County Schools	355,701	1.099300%
Gordon County Schools	106,808	0.330093%
Grady County Schools	52,914	0.163532%
Greene County Schools	40,175	0.124163%
Gwinnett County Schools	3,567,783	11.026319%
Habersham County Schools	198,918	0.614760%
Hall County Schools	437,032	1.350656%
Hancock County Schools	44,095	0.136277%
Haralson County Schools	57,814	0.178674%
Harris County Schools	125,426	0.387632%
Hart County Schools	108,768	0.336150%
Heard County Schools	41,156	0.127192%
Henry County Schools	462,509	1.429393%
Houston County Schools	809,390	2.501438%
Irwin County Schools	20,578	0.063596%





SCHEDULE A – SCHEDULE OF EMPLOYER ALLOCATIONS

Employers	2024 State Pension Support Provided To The Districts	Employer Allocation Percentage
Jackson County Schools	\$ 262,611	0.811605%
Jasper County Schools	60,753	0.187759%
Jeff Davis County Schools	86,230	0.266497%
Jefferson County Schools	69,572	0.215015%
Jenkins County Schools	21,558	0.066624%
Johnson County Schools	24,497	0.075709%
Jones County Schools	132,285	0.408831%
Lamar County Schools	50,955	0.157476%
Lanier County Schools	32,336	0.099936%
Laurens County Schools	162,662	0.502710%
Lee County Schools	143,064	0.442143%
Liberty County Schools	228,315	0.705612%
Lincoln County Schools	48,995	0.151419%
Long County Schools	81,331	0.251355%
Lowndes County Schools	208,717	0.645044%
Lumpkin County Schools	85,251	0.263469%
Macon County Schools	40,175	0.124163%
Madison County Schools	103,869	0.321008%
Marion County Schools	44,095	0.136277%
Mcduffie County Schools	129,346	0.399746%
Mcintosh County Schools	26,457	0.081766%
Meriwether County Schools	78,391	0.242270%
Miller County Schools	23,517	0.072681%
Mitchell County Schools	46,055	0.142334%
Monroe County Schools	133,265	0.411859%
Montgomery County Schools	34,296	0.105993%
Morgan County Schools	71,532	0.221071%
Murray County Schools	95,049	0.293752%
Muscogee County Schools	594,794	1.838224%
Newton County Schools	396,856	1.226492%
Oconee County Schools	128,366	0.396717%
Oglethorpe County Schools	60,753	0.187759%
Paulding County Schools	593,814	1.835196%
Peach County Schools	97,009	0.299809%
Pickens County Schools	80,351	0.248327%
Pierce County Schools	87,210	0.269525%
Pike County Schools	56,834	0.175646%
Polk County Schools	172,461	0.532994%
Pulaski County Schools	40,175	0.124163%





SCHEDULE A – SCHEDULE OF EMPLOYER ALLOCATIONS

Employers	2024 State Pension Support Provided To The Districts	Employer Allocation Percentage
Putnam County Schools	\$ 94,070	0.290724%
Quitman County Schools	12,739	0.039369%
Rabun County Schools	66,633	0.205930%
Randolph County Schools	19,598	0.060568%
Richmond County Schools	667,306	2.062324%
Rockdale County Schools	324,344	1.002392%
Schley County Schools	20,578	0.063596%
Screven County Schools	49,974	0.154447%
Seminole County Schools	16,658	0.051482%
Spalding County Schools	220,476	0.681385%
Stephens County Schools	97,989	0.302838%
Stewart County Schools	8,819	0.027255%
Sumter County Schools	135,225	0.417916%
Talbot County Schools	19,598	0.060568%
Taliaferro County Schools	6,859	0.021199%
Tattnall County Schools	73,492	0.227128%
Taylor County Schools	32,336	0.099936%
Telfair County Schools	35,276	0.109022%
Terrell County Schools	46,055	0.142334%
Thomas County Schools	140,125	0.433058%
Tift County Schools	78,391	0.242270%
Toombs County Schools	55,854	0.172617%
Towns County Schools	37,236	0.115078%
Treutlen County Schools	20,578	0.063596%
Troup County Schools	314,545	0.972109%
Turner County Schools	28,417	0.087823%
Twiggs County Schools	21,558	0.066624%
Union County Schools	68,592	0.211986%
Upson County Schools	144,044	0.445171%
Walker County Schools	243,013	0.751037%
Walton County Schools	326,304	1.008449%
Ware County Schools	147,964	0.457285%
Warren County Schools	13,718	0.042397%
Washington County Board of Education	48,015	0.148390%
Wayne County Schools	121,507	0.375519%
Webster County Schools	1,960	0.006057%
Wheeler County Schools	26,457	0.081766%
White County Board of Education	85,251	0.263469%
Whitfield County Schools	177,360	0.548136%





SCHEDULE A – SCHEDULE OF EMPLOYER ALLOCATIONS

Employers	2024 State Pension Support Provided To The Districts	Employer Allocation Percentage
Wilcox County Schools	\$ 31,357	0.096908%
Wilkes County Schools	59,773	0.184731%
Wilkinson County Schools	44,095	0.136277%
Worth County Schools	55,854	0.172617%
City of Bremen Schools (Haralson)	17,638	0.054511%
City of Buford Schools (Gwinnett)	103,869	0.321008%
City of Calhoun Schools (Gordon)	30,377	0.093880%
City of Carrollton Schools (Carroll)	111,708	0.345235%
City of Cartersville Schools (Bartow)	54,874	0.169589%
City of Chickamauga Schools (West)	19,598	0.060568%
City of Commerce Schools (Jackson)	23,517	0.072681%
City of Dalton Schools (Whitfield)	73,492	0.227128%
City of Decatur Schools (DeKalb)	91,130	0.281639%
City of Dublin Schools (Laurens)	49,974	0.154447%
City of Gainesville Schools (Hall)	108,768	0.336150%
City of Jefferson Schools (Jackson)	48,015	0.148390%
City of Marietta Schools (Cobb)	103,869	0.321008%
City of Pelham Schools (Mitchell)	15,678	0.048454%
City of Rome Schools (Floyd)	104,848	0.324036%
City of Social Circle Schools (Walton)	41,156	0.127192%
City of Thomasville Schools (Thomas)	27,437	0.084795%
City of Trion Schools (Chattooga)	22,538	0.069653%
City of Valdosta Schools (Lowndes)	160,702	0.496654%
City of Vidalia Schools (Toomb)	29,397	0.090851%
Scintilla Charter Academy	5,879	0.018170%
Southwest Georgia Stem Charter School	0	0.000000%
School for Arts Infused Learning	5,879	0.018170%
Charles Drew Charter School	7,839	0.024227%
Furlow Charter School	5,879	0.018170%
Georgia Magnet Charter School	980	0.003028%
Georgia Military College	63,693	0.196844%
Kipp Metro Atlanta Collaborative Inc	51,934	0.160504%
The Globe Academy	1,960	0.006057%
Dubois Integrity Charter	980	0.003028%
Total State of Georgia	\$ <u>32,357,000</u>	<u>100.000000%</u>





SCHEDULE B – SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

As of June 30, 2024

Employers	State's Proportionate Share Of the Net Pension Liability (Asset) Associated with the District	Employer Pension Expense and Revenue for State Support
Appling County Schools	\$ 280,771	\$ 64,940
Atkinson County Schools	154,627	35,764
Bacon County Schools	158,697	36,705
Baker County Schools	36,622	8,470
Baldwin County Schools	374,361	86,587
Banks County Schools	276,702	63,999
Barrow County Schools	1,228,880	284,230
Bartow County Schools	1,167,843	270,113
Ben Hill County Schools	236,010	54,587
Berrien County Schools	219,733	50,822
Bibb County Schools	2,364,169	546,813
Bleckley County Schools	329,600	76,234
Brantley County Schools	362,153	83,763
Brooks County Schools	191,250	44,235
Bryan County Schools	923,694	213,643
Bulloch County Schools	1,062,045	245,642
Burke County Schools	528,988	122,351
Butts County Schools	333,670	77,175
Calhoun County Schools	73,245	16,941
Camden County Schools	777,206	179,761
Candler County Schools	215,664	49,881
Carroll County Schools	1,086,459	251,289
Catoosa County Board of Education	1,114,944	257,877
Charlton County Schools	138,351	31,999
Chatham County Schools	3,279,725	758,574
Chattahoochee County Schools	24,414	5,647
Chattooga County Schools	301,116	69,646
Cherokee County Schools	3,206,480	741,633
Clarke County Schools	1,778,213	411,286
Clay County Schools	44,760	10,353
Clayton County Schools	4,439,429	1,026,804
Clinch County Schools	101,728	23,529
Cobb County Schools	8,724,232	2,017,844
Coffee County Schools	569,680	131,762
Colquitt County Schools	606,302	140,233
Columbia County Schools	2,539,143	587,283
Cook County Schools	329,600	76,234





SCHEDULE B – SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

Employers	State's Proportionate Share Of the Net Pension Liability (Asset) Associated with the District	Employer Pension Expense and Revenue for State Support
Coweta County Schools	\$ 2,608,317	\$ 603,283
Crawford County Schools	174,973	40,470
Crisp County Schools	423,190	97,880
Dade County Schools	195,319	45,176
Dawson County Schools	370,291	85,645
Decatur County Schools	500,504	115,762
Dekalb County Schools	7,910,404	1,829,613
Dodge County Schools	244,149	56,470
Dooly County Schools	126,144	29,176
Dougherty County Schools	1,350,954	312,465
Douglas County Schools	1,729,384	399,993
Early County Schools	154,627	35,764
Echols County Schools	32,553	7,529
Effingham County Schools	1,090,529	252,231
Elbert County Schools	280,771	64,940
Emanuel County Schools	427,259	98,822
Evans County Schools	130,212	30,117
Fannin County Schools	325,531	75,293
Fayette County Schools	1,456,752	336,935
Floyd County Schools	508,642	117,645
Forsyth County Schools	3,857,542	892,218
Franklin County Schools	321,462	74,352
Gilmer County Schools	378,430	87,528
Glascocock County Schools	65,106	15,059
Glynn County Schools	1,477,096	341,640
Gordon County Schools	443,536	102,586
Grady County Schools	219,733	50,822
Greene County Schools	166,834	38,587
Gwinnett County Schools	14,815,733	3,426,759
Habersham County Schools	826,035	191,055
Hall County Schools	1,814,836	419,757
Hancock County Schools	183,111	42,352
Haralson County Schools	240,079	55,528
Harris County Schools	520,849	120,468
Hart County Schools	451,675	104,469
Heard County Schools	170,904	39,529
Henry County Schools	1,920,632	444,227
Houston County Schools	3,361,107	777,397
Irwin County Schools	85,452	19,764





SCHEDULE B – SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

Employers	State's Proportionate Share Of the Net Pension Liability (Asset) Associated with the District	Employer Pension Expense and Revenue for State Support
Jackson County Schools	\$ 1,090,529	\$ 252,231
Jasper County Schools	252,286	58,352
Jeff Davis County Schools	358,084	82,822
Jefferson County Schools	288,909	66,822
Jenkins County Schools	89,521	20,705
Johnson County Schools	101,728	23,529
Jones County Schools	549,334	127,056
Lamar County Schools	211,596	48,940
Lanier County Schools	134,281	31,058
Laurens County Schools	675,476	156,232
Lee County Schools	594,094	137,409
Liberty County Schools	948,110	219,290
Lincoln County Schools	203,457	47,058
Long County Schools	337,738	78,116
Lowndes County Schools	866,726	200,467
Lumpkin County Schools	354,015	81,881
Macon County Schools	166,834	38,587
Madison County Schools	431,329	99,763
Marion County Schools	183,111	42,352
Mcduffie County Schools	537,127	124,233
Mcintosh County Schools	109,867	25,411
Meriwether County Schools	325,531	75,293
Miller County Schools	97,659	22,588
Mitchell County Schools	191,250	44,235
Monroe County Schools	553,403	127,998
Montgomery County Schools	142,420	32,941
Morgan County Schools	297,046	68,704
Murray County Schools	394,706	91,292
Muscogee County Schools	2,469,966	571,283
Newton County Schools	1,648,001	381,169
Oconee County Schools	533,057	123,292
Oglethorpe County Schools	252,286	58,352
Paulding County Schools	2,465,898	570,342
Peach County Schools	402,844	93,175
Pickens County Schools	333,670	77,175
Pierce County Schools	362,153	83,763
Pike County Schools	236,010	54,587
Polk County Schools	716,168	165,644
Pulaski County Schools	166,834	38,587





SCHEDULE B – SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

Employers	State's Proportionate Share Of the Net Pension Liability (Asset) Associated with the District	Employer Pension Expense and Revenue for State Support
Putnam County Schools	\$ 390,637	\$ 90,351
Quitman County Schools	52,899	12,235
Rabun County Schools	276,702	63,999
Randolph County Schools	81,383	18,823
Richmond County Schools	2,771,083	640,929
Rockdale County Schools	1,346,884	311,523
Schley County Schools	85,452	19,764
Screven County Schools	207,526	47,999
Seminole County Schools	69,175	16,000
Spalding County Schools	915,557	211,761
Stephens County Schools	406,914	94,116
Stewart County Schools	36,622	8,470
Sumter County Schools	561,541	129,880
Talbot County Schools	81,383	18,823
Taliaferro County Schools	28,484	6,588
Tattnall County Schools	305,185	70,587
Taylor County Schools	134,281	31,058
Telfair County Schools	146,490	33,882
Terrell County Schools	191,250	44,235
Thomas County Schools	581,887	134,586
Tift County Schools	325,531	75,293
Toombs County Schools	231,940	53,646
Towns County Schools	154,627	35,764
Treutlen County Schools	85,452	19,764
Troup County Schools	1,306,194	302,112
Turner County Schools	118,005	27,294
Twiggs County Schools	89,521	20,705
Union County Schools	284,839	65,881
Upson County Schools	598,163	138,350
Walker County Schools	1,009,146	233,407
Walton County Schools	1,355,023	313,406
Ware County Schools	614,440	142,115
Warren County Schools	56,968	13,176
Washington County Board of Education	199,387	46,117
Wayne County Schools	504,574	116,704
Webster County Schools	8,139	1,882
Wheeler County Schools	109,867	25,411
White County Board of Education	354,015	81,881
Whitfield County Schools	736,514	170,350





SCHEDULE B – SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

Employers	State's Proportionate Share Of the Net Pension Liability (Asset) Associated with the District	Employer Pension Expense and Revenue for State Support
Wilcox County Schools	\$ 130,212	\$ 30,117
Wilkes County Schools	248,218	57,411
Wilkinson County Schools	183,111	42,352
Worth County Schools	231,940	53,646
City of Bremen Schools (Haralson)	73,245	16,941
City of Buford Schools (Gwinnett)	431,329	99,763
City of Calhoun Schools (Gordon)	126,144	29,176
City of Carrollton Schools (Carroll)	463,882	107,292
City of Cartersville Schools (Bartow)	227,872	52,705
City of Chickamauga Schools (West)	81,383	18,823
City of Commerce Schools (Jackson)	97,659	22,588
City of Dalton Schools (Whitfield)	305,185	70,587
City of Decatur Schools (DeKalb)	378,430	87,528
City of Dublin Schools (Laurens)	207,526	47,999
City of Gainesville Schools (Hall)	451,675	104,469
City of Jefferson Schools (Jackson)	199,387	46,117
City of Marietta Schools (Cobb)	431,329	99,763
City of Pelham Schools (Mitchell)	65,106	15,059
City of Rome Schools (Floyd)	435,397	100,704
City of Social Circle Schools (Walton)	170,904	39,529
City of Thomasville Schools (Thomas)	113,936	26,353
City of Trion Schools (Chattooga)	93,591	21,647
City of Valdosta Schools (Lowndes)	667,339	154,350
City of Vidalia Schools (Toomb)	122,074	28,235
Scintilla Charter Academy	24,414	5,647
Southwest Georgia Stem Charter School	0	0
School for Arts Infused Learning	24,414	5,647
Charles Drew Charter School	32,553	7,529
Furlow Charter School	24,414	5,647
Georgia Magnet Charter School	4,069	941
Georgia Military College	264,493	61,175
Kipp Metro Atlanta Collaborative Inc	215,664	49,881
The Globe Academy	8,139	1,882
Dubois Integrity Charter	4,069	941
Total State of Georgia	\$ <u>134,367,000</u>	\$ <u>31,078,000</u>





SCHEDULE C - SUMMARY OF BENEFIT PROVISIONS EVALUATED

The 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 \$16.50 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.





SCHEDULE C - SUMMARY OF BENEFIT PROVISIONS EVALUATED

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.
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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 - 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. 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 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 & 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>				
				<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





SCHEDULE D - ACTUARIAL ASSUMPTIONS AND METHODS

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

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 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:

Annual Rates of Death*					
Age	Males	Females	Age	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





SCHEDULE D - ACTUARIAL ASSUMPTIONS AND METHODS

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 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:

Age	Annual Rates of Death*					
	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





SCHEDULE D - ACTUARIAL ASSUMPTIONS AND METHODS

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.





SCHEDULE E - FUNDING POLICY OF THE PSERS BOARD OF TRUSTEES

- **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





SCHEDULE E - FUNDING POLICY OF THE PSERS BOARD OF TRUSTEES

- 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

