



# Cavanaugh Macdonald

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April 10, 2012

Mr. James A. Potvin  
Executive Director  
Georgia Judicial Retirement System  
Two Northside 75, Suite 300  
Atlanta, GA 30318-7701

Dear Mr. Potvin:

Enclosed is the "Georgia Judicial Retirement System Report of the Actuary on the Valuation Prepared as of June 30, 2011".

The valuation indicates that employer contributions at the rate of 4.23% of compensation are sufficient to support the benefits of the System.

Please let us know if there are any questions concerning the report.

Sincerely yours,

Edward A. Macdonald, ASA, FCA, MAAA  
President

Cathy Turcot  
Principal and Managing Director

EAM/CT:dmw

Enclosure

S:\Georgia Judicial\Valuations\2011\Report GA JRS Valuation.doc FINAL

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# Cavanaugh Macdonald CONSULTING, LLC

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## EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

### GEORGIA JUDICIAL RETIREMENT SYSTEM

### REPORT OF THE ACTUARY ON THE VALUATION PREPARED AS OF JUNE 30, 2011





# Cavanaugh Macdonald

CONSULTING, LLC

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April 10, 2012

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

Attention: Mr. James Potvin, Executive Director

Members of the Board:

Section 47-23-21 of the law governing the operation of the Georgia Judicial Retirement System provides that the actuary shall make annual valuations of the contingent assets and liabilities of the Retirement System on the basis of regular interest and the tables last adopted by the Board of Trustees. We have submitted the report giving the results of the actuarial valuation of the System prepared as of June 30, 2011. The report indicates that annual employer contributions at the rate of 4.23% of compensation for the fiscal year ending June 30, 2014 are sufficient to support the benefits of the System.

In preparing the valuation, the actuary relied on data provided by the System. While not verifying data at the source, the actuary performed tests for consistency and reasonableness. Our firm, as actuary, is responsible for all of the actuarial trend data in the financial section of the annual report and the supporting schedules in the actuarial section of the annual report.

In our opinion, the valuation is complete and accurate, and the methodology and assumptions are reasonable as a basis for the valuation. The valuation takes into account the effect of all amendments to the System enacted through the 2011 session of the General Assembly.

The System is funded on an actuarial reserve basis. The actuarial assumptions recommended by the actuary and adopted by the Board are in the aggregate reasonably related to the experience under the System and to reasonable expectations of anticipated experience under the System. The assumptions and methods used for funding purposes meet the parameters set for the disclosures presented in the financial section by Governmental Accounting Standards Board (GASB) Statement Nos. 25 and 27. The funding objective of the plan is that contribution rates over time will remain level as a percent of payroll. The valuation method used is the entry age normal cost method. The normal contribution rate to cover current cost has been determined as a level percent of payroll. Gains and losses are reflected in the unfunded accrued liability which is negative and being amortized as a level percent of payroll within a 10-year period.

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Board of Trustees  
April 10, 2012  
Page 2

The System is being funded in conformity with the minimum funding standard set forth in Code Section 47-20-10 of the Public Retirement Systems Standards Law. In our opinion the System is operating on an actuarially sound basis. Assuming that contributions to the System are made by the employer from year to year in the future at the rates recommended on the basis of the successive actuarial valuations, the continued sufficiency of the retirement fund to provide the benefits called for under the System may be safely anticipated.

This is to certify that the independent consulting actuary is a member of the American Academy of Actuaries and has experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Edward Macdonald'.

Edward A. Macdonald, ASA, FCA, MAAA  
President

A handwritten signature in blue ink, appearing to read 'Cathy Turcot'.

Cathy Turcot  
Principal and Managing Director

EAM/CT:dmw



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**GEORGIA JUDICIAL RETIREMENT SYSTEM  
REPORT OF THE ACTUARY  
ON THE VALUATION  
PREPARED AS OF JUNE 30, 2011**

**SECTION I - SUMMARY OF PRINCIPAL RESULTS**

1. For convenience of reference, the principal results of the current and preceding valuations are summarized below:

Valuation Date	June 30, 2011	June 30, 2010
Number of active members	507	495
Annual compensation	\$ 52,330,541	\$ 51,292,694
Retired members and beneficiaries:		
Number	220	207
Annual allowances	\$ 13,499,865	\$ 12,437,383
Deferred Vested Members:		
Number	33	29
Annual allowances	\$ 1,766,424	\$ 1,377,487
Assets:		
Market Value	\$ 321,080,000	\$ 270,658,000
Actuarial Value	327,483,000	320,050,000
Unfunded actuarial accrued liability	\$ (36,997,288)	\$ (38,553,961)
Amortization period (years)	10	16
Funded Ratio	112.7%	113.7%
<b>For Fiscal Year Ending</b>	<b>June 30, 2014</b>	<b>June 30, 2013</b>
Annual Required Employer Contribution Rates (ARC):		
Normal*	12.78%	10.27%
Accrued liability	<u>(8.55)</u>	<u>(6.37)</u>
Total	4.23%	3.90%

\* Estimated budgeted administrative expenses are included in the normal contribution.

2. The valuation takes into account the effect of amendments of the System enacted through the 2011 session of the General Assembly. The major benefit and contribution provisions of the System as reflected in the valuation are summarized in Schedule F.



3. No changes have been made to the assumptions and methods since the previous valuation. Schedule D of this report outlines the full set of actuarial assumptions and methods used to prepare the current valuation.
4. The entry age actuarial cost method was used to prepare the valuation. Schedule E contains a brief description of this method.
5. Comments on the valuation results as of June 30, 2011 are given in Section IV and further discussion of the contributions is set out in Section V.

### **SECTION II - MEMBERSHIP**

1. Data regarding the membership of the System for use as a basis of the valuation were furnished by the Retirement System office. The valuation included 507 active members, with annual compensation of \$52,330,541.
2. For the June 30, 2011 valuation, data was provided by the Retirement System for inactive members who are eligible for deferred vested benefits. The valuation included 33 deferred vested members with annual allowances totaling \$1,766,424.
3. The following table shows the number of retired members and beneficiaries receiving a benefit as of June 30, 2011, together with the amount of their annual allowances payable under the System as of that date.

#### **THE NUMBER AND ANNUAL RETIREMENT ALLOWANCES OF RETIRED MEMBERS AND BENEFICIARIES RECEIVING BENEFITS AS OF JUNE 30, 2011**

<b>GROUP</b>	<b>NUMBER</b>	<b>ANNUAL RETIREMENT ALLOWANCES</b>
Service Retirements	161	\$ 11,705,790
Disability Retirements	2	112,010
Beneficiaries of Deceased Members	<u>57</u>	<u>1,682,065</u>
Total	220	\$ 13,499,865



### **SECTION III - ASSETS**

1. As of June 30, 2011 the total market value of assets amounted to \$321,080,000 as reported by the Auditor of the System. The actuarial value of assets used for the current valuation was \$327,483,000. Schedule B shows the development of the actuarial value of assets as of June 30, 2011.
2. Schedule C shows receipts and disbursements of the System for the two years preceding the valuation date and a reconciliation of the fund balances at market value.

### **SECTION IV – COMMENTS ON VALUATION**

1. Schedule A of this report contains the valuation balance sheet which shows the present and prospective assets and liabilities of the System as of June 30, 2011. The valuation was prepared in accordance with the actuarial assumptions and methods set forth in Schedule D and the actuarial cost method which is described in Schedule E.
2. The valuation balance sheet shows that the System has total prospective liabilities of \$375,035,855, of which \$128,990,734 is for the prospective benefits payable on account of present retired members, beneficiaries of deceased members, and members entitled to deferred vested benefits, and \$246,045,121 is for the prospective benefits payable on account of present active members. Against these liabilities, the System has total present assets for valuation purposes of \$327,483,000 as of June 30, 2011. The difference of \$47,552,855 between the total liabilities and the total present assets represents the present value of contributions to be made in the future. Of this amount, \$34,342,947 is the present value of future contributions expected to be made by or on behalf of members, and the balance of \$13,209,908 represents the present value of future contributions payable by the employers.
3. The employer's contributions to the System consist of normal contributions and accrued liability contributions. The valuation indicates that annual employer normal contributions at the rate of 12.23% of active members' compensation are required to provide the currently accruing benefits of the System.



4. Prospective normal contributions at the rate of 12.23% of active members' compensation have a present value of \$50,207,196. When this amount is subtracted from \$13,209,908, which is the present value of the total future contributions to be made by the employers, the result is a prospective unfunded actuarial accrued liability of (\$36,997,288).

#### **SECTION V – CONTRIBUTIONS PAYABLE BY EMPLOYERS**

1. The contributions of employers consist of a normal contribution and an accrued liability contribution as determined by actuarial valuation.
2. The normal contribution rate is calculated as the level percentage rate which, if applied to the compensation of the average member during the entire period of his anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his behalf. On the basis of the valuation, the normal contribution rate was determined to be 12.23% of active members' compensation.
3. An additional contribution of 0.55% of active members' compensation is required for administrative expenses for the fiscal year ending June 30, 2014.
4. The total normal contribution rate including administrative expenses is, therefore, 12.78% of active members' compensation.
5. The accrued liability contribution at the rate of (8.55%) of active members' compensation is sufficient to amortize the unfunded actuarial accrued liability within 10 years following the valuation date assuming that the total payroll of active members will increase by 3.75% each year.



6. The following table summarizes the employer contribution rates, which were determined by the June 30, 2011 valuation and are recommended for use.

**ANNUAL REQUIRED EMPLOYER CONTRIBUTION RATES (ARC)  
FOR FISCAL YEAR ENDING JUNE 30, 2014**

<b>CONTRIBUTION</b>	<b>PERCENTAGE OF ACTIVE MEMBERS' COMPENSATION</b>
Normal	12.78%
Accrued Liability	<u>(8.55)</u>
Total	4.23%

**SECTION VI – ACCOUNTING INFORMATION**

1. Governmental Accounting Standards Board Statements 25 and 27 set forth certain items of required supplementary information to be disclosed in the financial statements of the System and the employer. One such item is a distribution of the number of employees by type of membership, as follows:

**NUMBER OF ACTIVE AND RETIRED MEMBERS  
AS OF JUNE 30, 2011**

<b>GROUP</b>	<b>NUMBER</b>
Retirees and beneficiaries currently receiving benefits	220
Terminated employees entitled to benefits but not yet receiving benefits	68
Active plan members	<u>507</u>
Total	795



2. Another such item is the schedule of funding progress as shown below.

**SCHEDULE OF FUNDING PROGRESS**  
(Dollar amounts in thousands)

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) - Entry Age (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b - a) / c)</b>
6/30/2006	\$ 279,564	\$ 229,837	\$ (49,727)	121.6%	\$ 45,308	(109.8)%
6/30/2007	297,090	249,278	(47,812)	119.2	48,621	(98.3)
6/30/2008	313,315	268,516	(44,799)	116.7	51,102	(87.7)
6/30/2009	317,624	282,474	(35,150)	112.4	52,083	(67.5)
6/30/2010	320,050	281,496	(38,554)	113.7	51,293	(75.2)
6/30/2011	327,483	290,486	(36,997)	112.7	52,331	(70.7)

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

<b>Year Ending</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
6/30/2006	\$ 1,683	100%
6/30/2007	1,778	100
6/30/2008	2,395	100
6/30/2009	1,703	100
6/30/2010	2,600	100
6/30/2011	1,932	100



4. Following is the calculation of the annual pension cost and net pension obligation for the fiscal year ending June 30, 2011. Since JRS is a cost sharing multiple employer pension plan, GASB Statement 27 does not require the participating employers to disclose this information.

**Annual Pension Cost and Net Pension Obligation for Fiscal Year Ending June 30, 2011**

(a)	Employer annual required contribution	\$	1,932,000
(b)	Interest on net pension obligation		88,000
(c)	Adjustment to annual required contribution		<u>108,000</u>
(d)	Annual pension cost (a) + (b) – (c)	\$	1,912,000
(e)	Employer contributions made for fiscal year ending 06/30/11		<u>1,932,000</u>
(f)	Increase (decrease) in net pension obligation (d) – (e)	\$	(20,000)
(g)	Net pension obligation beginning of fiscal year		<u>1,176,000</u>
(h)	Net pension obligation end of fiscal year (f) + (g)	\$	1,156,000

**TREND INFORMATION**  
(Dollar amounts in thousands)

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2009	\$ 1,701	100%	\$ 1,186
June 30, 2010	2,590	100	1,176
June 30, 2011	1,912	101	1,156



5. The information presented in the required supplementary schedules was determined as part of the actuarial valuation at June 30, 2011. Additional information as of the latest actuarial valuation follows.

Valuation date	6/30/2011
Actuarial cost method	Entry age
Amortization method	Level percent of pay, open
Remaining amortization period	10 years
Asset valuation method	7-year smoothed market
Actuarial assumptions:	
Investment rate of return*	7.50%
Projected salary increases*	0.00% for FY 2011 3.00% for FY 2012-2013 6.00% for FY 2014+
Cost-of-living adjustments	None
*Includes inflation at	3.00%



**SECTION VII – EXPERIENCE**

1. The last experience investigation was prepared for the five-year period ending June 30, 2009, and based on the results of the investigation, various assumptions and methods were adopted by the Board on December 16, 2010. The next experience investigation will be prepared for the period July 1, 2009 through June 30, 2014.
2. The following table shows the estimated gain or loss from various factors that resulted in an increase of \$1,556,672 in the unfunded accrued liability from (\$38,553,961) to (\$36,997,288) during the fiscal year ending June 30, 2011.

**ANALYSIS OF THE INCREASE IN UNFUNDED ACCRUED LIABILITY**  
(in thousands of dollars)

ITEM	AMOUNT OF INCREASE/ (DECREASE)
Interest (7.50) added to previous unfunded accrued liability	\$ (2,891.5)
Accrued liability contribution	4,079.8
Experience:	
Valuation asset growth	9,404.0
Pensioners' mortality	2,076.8
Turnover and retirements	(276.3)
New entrants	750.1
Salary increases	1,265.9
Method changes	0.0
Amendments (COLAs)	0.0
Assumption changes	0.0
Miscellaneous changes	<u>(12,852.1)</u>
Total	\$ 1,556.7



**SCHEDULE A**

**VALUATION BALANCE SHEET  
SHOWING THE PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES OF  
THE GEORGIA JUDICIAL RETIREMENT SYSTEM  
AS OF JUNE 30, 2011**

<b><u>ACTUARIAL LIABILITIES</u></b>		
(1)	Present value of prospective benefits payable on account of present retired members, beneficiaries of deceased members, and members entitled to deferred vested benefits	
-	Service and disability benefits	\$ 100,903,506
-	Death and survivor benefits	12,372,149
-	Deferred vested benefits	<u>15,715,079</u>
	Total	\$ 128,990,734
(2)	Present value of prospective benefits payable on account of present active members	<u>246,045,121</u>
(3)	TOTAL ACTUARIAL LIABILITIES	<u>\$ 375,035,855</u>
<b><u>PRESENT AND PROSPECTIVE ASSETS</u></b>		
(4)	Actuarial value of assets	\$ 327,483,000
(5)	Present value of total future contributions = (3)-(4)	\$ 47,552,855
(6)	Present value of future member contributions	34,342,947
(7)	Present value of future employer contributions = (5)-(6)	\$ 13,209,908
(8)	Employer normal contribution rate (net of expenses)	12.23%
(9)	Present value of future payroll	\$ 410,524,909
(10)	Prospective normal contributions = (8) x (9)	50,207,196
(11)	Prospective unfunded accrued liability contributions = (7)-(10)	<u>(36,997,288)</u>
(12)	TOTAL PRESENT AND PROSPECTIVE ASSETS	<u>\$ 375,035,855</u>



**SCHEDULE B**

**DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS**

(1)	Actuarial Value Beginning of Year	\$	320,050,000
(2)	Market Value End of Year	\$	321,080,000
(3)	Market Value Beginning of Year	\$	270,658,000
(4)	Cash Flow		
	(a) Contributions	\$	6,653,000
	(b) Benefit Payments and expenses		<u>(13,561,000)</u>
	(c) Net: (4)(a) + (4)(b)	\$	(6,908,000)
(5)	Investment Income		
	(a) Market Total: (2) – (3) – (4)(c)	\$	57,330,000
	(b) Assumed Rate		7.50%
	(c) Amount for Immediate Recognition: [(3) x (5)(b)] + [(4)(c) x (5)(b) x 0.5]	\$	20,040,000
	(d) Amount for Phased-In Recognition: (5)(a) – (5)(c)		37,290,000
(6)	Phased-In Recognition of Investment Income		
	(a) Current Year: (5)(d) / 7	\$	5,327,000
	(b) First Prior Year		1,278,000
	(c) Second Prior Year		(8,548,000)
	(d) Third Prior Year		(4,782,000)
	(e) Fourth Prior Year		2,752,000
	(f) Fifth Prior Year		(1,726,000)
	(g) Sixth Prior Year		<u>0</u>
	(h) Total Recognized Investment Gain	\$	(5,699,000)
(7)	Actuarial Value End of Year: (1) + (4)(c) + (5)(c) + (6)(h)	\$	327,483,000
(8)	Difference Between Market & Actuarial Values: (2) – (7)	\$	(6,403,000)
(9)	Rate of Return on Actuarial Value		4.53%



**SCHEDULE C**

**SUMMARY OF RECEIPTS AND DISBURSEMENTS  
(Market Value)**

	YEAR ENDING	
	June 30, 2011	June 30, 2010
	(\$1,000's)	(\$1,000's)
<u>Receipts for the Year</u>		
Contributions:		
Members	\$ 4,721	\$ 5,018
Employer	<u>1,932 *</u>	<u>2,600 **</u>
Subtotal	\$ 6,653	\$ 7,618
Administrative Expense Allotment	0	175
Investment Earnings	<u>57,330</u>	<u>27,378</u>
TOTAL	\$ 63,983	\$ 35,171
<u>Disbursements for the Year</u>		
Benefit Payments	\$ 13,011	\$ 12,365
Refunds to Members	260	139
Administrative Expenses	<u>290</u>	<u>270</u>
TOTAL	\$ 13,561	\$ 12,774
<u>Excess of Receipts over Disbursements</u>	\$ 50,422	\$ 22,397
<u>Reconciliation of Asset Balances</u>		
Asset Balance as of the Beginning of Year	\$ 270,658 **	\$ 248,261
Excess of Receipts over Disbursements	<u>50,422</u>	<u>22,397</u>
Asset Balance as of the End of Year	\$ <u>321,080</u>	\$ <u>270,658 **</u>
Rate of Return	21.46%	11.14%

\*As of June 30, 2011, the reported employer contributions were \$1,163,000 which reflect an error in the reported amount for the previous fiscal year of \$769,000. For valuation purposes, we have adjusted the employer contributions to include this amount.

\*\* As of June 30, 2010 the total market value of assets amounted to \$271,427,000 as reported by the Auditor of the System. This amount includes employer contributions of \$769,000 reported in error and an adjustment was made during the 2011 fiscal year to correct this error. For valuation purposes, we adjusted the employer contributions and the market value of assets as of June 30, 2010 to exclude this amount.



**SCHEDULE D**

**OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS**

Adopted by the Board December 16, 2010.

**VALUATION INTEREST RATE:** 7.50% per annum, compounded annually, net of expenses, composed of a 3.00% inflation assumption and a 4.50% real rate of investment return assumption.

**SALARY INCREASES:** The following shows the assumed rates of salary increases:

<b>Fiscal Year</b>	<b>Rates of Salary Increases</b>
2011	0%
2012	3%
2013	3%
2014+	6%

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

<b>Age</b>	<b>Annual Rates of</b>			
	<b>Withdrawal</b>	<b>Death</b>		<b>Disability</b>
		<b>Men</b>	<b>Women</b>	
20	8.0%	.035%	.019%	.05%
25	8.0	.038	.021	.05
30	8.0	.044	.026	.10
35	8.0	.077	.048	.15
40	8.0	.108	.071	.20
45	4.0	.151	.112	.35
50	3.0	.214	.168	.50
55	3.0	.362	.272	.90
60	3.0	.675	.506	1.45
65	3.0	1.274	.971	2.35

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

<b><u>Age</u></b>	<b><u>Annual Rates of Retirement</u></b>
60	12%
61 – 64	12
65 – 66	15
67 – 69	20
70 – 74	30
75	100



**DEATHS AFTER RETIREMENT:** The RP-2000 Combined Mortality Table is used for the period after retirement and for dependent beneficiaries. Representative values of the assumed annual rates of mortality are as follows:

Age	Men	Women	Age	Men	Women
40	.108%	.071%	65	1.274%	.971%
45	.151	.112	70	2.221	1.674
50	.214	.168	75	3.783	2.811
55	.362	.272	80	6.437	4.588
60	.675	.506	85	11.076	7.745

The RP-2000 Disability Mortality Table set back eleven years for males is used for the period after disability.

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

**AMORTIZATION METHOD AND PAYROLL GROWTH ASSUMPTION:** Level percentage of payroll, assuming payroll will increase 3.75% per year.

**ASSET METHOD:** Actuarial Value, as developed in Schedule B. The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected value of assets, based on the assumed valuation rate of return. The amount recognized each year is 1/7 of the difference between market value and expected market value.

**PERCENT MARRIED:** There is no implicit marriage assumption, since death benefits are paid only to those members who elect coverage. For members who have elected spouse coverage, husbands are assumed to be three years older than their wives.

**VALUATION METHOD:** Entry age actuarial cost method. See Schedule E for a brief description of this method.



## **SCHEDULE E**

### **ACTUARIAL COST METHOD**

1. The valuation is prepared on the projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future (currently 7.50%), of each member's expected benefits at retirement or death is determined, based on age, service and sex. The calculations take into account the probability of a member's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his terminating with a service, disability or survivor's benefit. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active members is added to the present value of the expected future payments to retired members, beneficiaries and members entitled to deferred vested benefits to obtain the present value of all expected benefits payable from the System on account of the present group of members and beneficiaries.
2. The employer contributions required to support the benefits of the System are determined following a level funding approach, and consist of a normal contribution and an unfunded actuarial accrued liability contribution.
3. The normal contribution is determined using the entry age actuarial cost method. Under this method, a calculation is made to determine the level amount which, if applied for the average member during the entire period of his anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his behalf.
4. The unfunded actuarial accrued liability contributions are determined by subtracting the present value of prospective employer normal contributions and member contributions, together with the current actuarial value of assets, from the present value of expected benefits to be paid from the System.



**SCHEDULE F**

**SUMMARY OF MAIN SYSTEM PROVISIONS  
AS INTERPRETED FOR VALUATION PURPOSES**

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

**Normal Retirement Benefit**

Eligibility	Age 60 and 16 years of creditable service.
Benefit	Annual benefit is 66-2/3% of the annual salary plus 1% for each year of credited service over 16 years, not to exceed 24 years.

**Early Retirement Benefit**

Eligibility	Age 60 and 10 years of creditable service.
Benefit	A pro-rata portion of the normal retirement benefit, based on service not to exceed 16 years.

**Disability Retirement Benefit**

Eligibility	4 years of creditable service.
Benefit	For members with less than 10 years of creditable service: 1/2 of projected normal retirement benefit. For members with 10 or more years of creditable service: 2/3 of projected normal retirement benefit.

**Involuntary Retirement Benefit**

N/A

**Deferred Vested Retirement Benefit**

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

**Death Benefit**

Eligibility	10 years of creditable service during which the member has contributed for spouse coverage.
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Benefit	<p>50% of benefit which member was receiving if retired, or would have received had he retired on the date of his death. If under age 60, and the member was a member of a Predecessor Retirement System, an immediate benefit equal to 50% of the benefit which member would have received had he remained employed and retired at age 60. If under age 60 and not a member of a Predecessor Retirement System, an immediate benefit equal to 50% of the benefit which the member would have received if the member were age 60 on the date of death.</p> <p>If member rejects spouse coverage or dies before contributing for spouse's coverage for at least 10 years, death benefit is return of member's contributions with interest.</p>
Termination Benefit	
Eligibility	Termination with less than 10 years of creditable service.
Benefit	Return of the member's accumulated contributions with interest.
Payment Options	Monthly Life Annuity with Death Benefit payable as described above.
Post-Retirement Adjustments	<p>The Board may from time to time grant a Cost of Living Adjustment.</p> <p>In addition, a one time 1.75% increase on the first \$37,500 is made at the time of retirement.</p>
Contributions	
By Members	Members contribute 7-1/2% of salary, plus 2-1/2% of salary for up to 16 years if spouse benefit is not rejected.
By Employers	Employer contributions are actuarially determined and approved and certified by the Board.



**SCHEDULE G**

**The Number and Average Annual Compensation of Active Members  
by Age and Service as of June 30, 2011**

Age	Years of Service									Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & Up	
Under 25	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0
30 to 34	1	1	0	0	0	0	0	0	0	2
Avg. Pay	25,000	114,354	0	0	0	0	0	0	0	69,677
35 to 39	10	13	5	0	0	0	0	0	0	28
Avg. Pay	114,214	64,726	86,163	0	0	0	0	0	0	86,229
40 to 44	6	20	17	6	0	0	0	0	0	49
Avg. Pay	119,354	82,135	88,128	99,002	0	0	0	0	0	90,837
45 to 49	4	16	18	9	2	0	0	0	0	49
Avg. Pay	114,869	114,828	96,620	102,522	78,717	0	0	0	0	104,409
50 to 54	3	10	18	23	11	9	1	0	0	75
Avg. Pay	92,287	89,057	110,245	107,067	111,921	104,751	136,811	0	0	105,668
55 to 59	3	12	24	31	32	13	17	0	0	132
Avg. Pay	106,635	87,071	104,779	109,675	111,324	121,437	114,277	0	0	108,812
60 to 64	3	7	17	28	20	8	12	3	0	98
Avg. Pay	86,180	110,122	108,394	101,136	111,434	110,102	124,173	91,011	0	107,924
65 to 69	1	8	4	10	12	10	2	4	2	53
Avg. Pay	114,354	100,736	112,689	96,264	104,421	84,817	120,252	94,004	50,086	97,199
70 & Up	0	0	4	2	4	1	4	6	0	21
Avg. Pay	0	0	80,695	130,753	130,937	26,089	102,498	108,227	0	104,451
Total	31	87	107	109	81	41	36	13	2	507
Avg. Pay	106,852	91,355	100,780	104,910	110,573	104,305	117,225	99,878	50,086	103,216

Average Age: 55.2  
Average Service: 12.4



**SCHEDULE G**  
**(Continued)**

**NUMBER OF RETIRED MEMBERS  
AND THEIR BENEFITS BY AGE**

<b>Age</b>	<b>Number of Members</b>	<b>Total Annual Benefits</b>	<b>Average Annual Benefits</b>
Under 50	0	\$ 0	\$ 0
50 - 54	0	0	0
55 - 59	0	0	0
60 - 64	27	1,961,394	72,644
65 - 69	37	2,809,490	75,932
70 - 74	34	2,490,276	73,243
75 - 79	26	2,097,609	80,677
80 - 84	20	1,375,690	68,784
85 - 89	12	660,009	55,001
90 - 94	5	311,322	62,265
95 & Over	0	0	0
Total	161	\$ 11,705,790	\$ 72,707

**NUMBER OF BENEFICIARIES  
AND THEIR BENEFITS BY AGE**

<b>Age</b>	<b>Number of Members</b>	<b>Total Annual Benefits</b>	<b>Average Annual Benefits</b>
Under 50	1	\$ 6,436	\$ 6,436
50 - 54	0	0	0
55 - 59	2	27,088	13,544
60 - 64	6	158,559	26,427
65 - 69	5	193,267	38,654
70 - 74	9	320,627	35,625
75 - 79	10	350,297	35,030
80 - 84	11	314,752	28,614
85 - 89	10	272,150	27,215
90 - 94	2	27,792	13,896
95 & Over	1	11,097	11,097
Total	57	\$ 1,682,065	\$ 29,510



**SCHEDULE G**  
**(Continued)**

**NUMBER OF DISABLED RETIREES  
AND THEIR BENEFITS BY AGE**

<b>Age</b>	<b>Number of Members</b>	<b>Total Annual Benefits</b>	<b>Average Annual Benefits</b>
Under 50	0	\$ 0	\$ 0
50 - 54	1	56,355	56,355
55 - 59	0	0	0
60 - 64	0	0	0
65 - 69	1	55,655	55,655
70 - 74	0	0	0
75 - 79	0	0	0
80 - 84	0	0	0
85 - 89	0	0	0
90 - 94	0	0	0
95 & Over	0	0	0
Total	2	\$ 112,010	\$ 56,005

**NUMBER OF DEFERRED VESTED MEMBERS  
AND THEIR BENEFITS BY AGE**

<b>Age</b>	<b>Number of Members</b>	<b>Total Annual Benefits</b>	<b>Average Annual Benefits</b>
Under 45	0	\$ 0	\$ 0
45-49	5	277,277	55,455
50-54	9	488,348	54,261
55-59	11	493,357	44,851
60-64	3	228,826	76,275
65 & Over	5	278,616	55,723
Total	33	\$ 1,766,424	\$ 53,528