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June 19, 2009

Ms. Pamela Pharris
Executive Director
Georgia Public School Employees' Retirement System
Two Northside 75, Suite 300
Atlanta, GA 30318-7778

Dear Ms. Pharris:

Enclosed are 40 bound copies and one unbound copy of the "Georgia Public School Employees' Retirement System Report of the Actuary on the Valuation Prepared as of June 30, 2008".

Based on a monthly benefit accrual rate of $14.75 effective July 1, 2008, the valuation indicates that employer contributions for the fiscal year ending June 30, 2011 of $7,509,000 or $187.16 per active member 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	Cathy Turcot
President	Principal and Managing Director

EAM:mjn

Enclosure

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EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

GEORGIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

REPORT OF THE ACTUARY ON THE VALUATION PREPARED AS OF JUNE 30, 2008

Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

June 19, 2009

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

Members of the Board:

Section 47-4-60 of the law governing the operation of the Georgia Public School Employees' Retirement System provides that the employer contribution shall be actuarially determined and approved 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, 2008. Based on a monthly benefit accrual rate of $14.75 effective July 1, 2008, the valuation indicates that annual employer contributions of $7,509,000 or $187.16 per active member for the fiscal year ending June 30, 2011 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 2008 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 dollar per active member. The valuation method used is the entry age normal cost method. The normal contribution rate to cover current cost has been determined as a dollar per active member. Gains and losses are reflected in the unfunded accrued liability which is negative and being amortized as a level dollar per active member within a 10-year period.

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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,

Cathy Turcot

Edward A. Macdonald, ASA, FCA, MAAA
President

Cathy Turcot
Principal and Managing Director

EAM:mjn

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GEORGIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
REPORT OF THE ACTUARY
ON THE VALUATION
PREPARED AS OF JUNE 30, 2008

SECTION I - SUMMARY OF PRINCIPAL RESULTS

1. For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results are summarized below:

Valuation Date	June 30, 2008	June 30, 2007
Number of active members	40,121	39,086
Retired members and beneficiaries:		
Number	13,487	13,193
Annual allowances[1]	$ 48,805,317	$ 46,661,948
Assets:		
Market Value	$ 740,364,000	$ 811,649,000
Actuarial Value	791,855,000	785,460,000
Unfunded actuarial accrued liability	$ (20,905,174)	$ (39,382,352)
Amortization period (years)	10	15
Funded Ratio	102.7%	105.3%
For Fiscal Year Ending	**June 30, 2011**	**June 30, 2010**
Employer contribution rate per active member:		
Normal	$ 263.07	$ 259.33
Accrued liability	(75.91)	(117.87)
Total	$ 187.16	$ 141.46
Annual Required Employer Contribution (ARC)[2]:		
Normal	$ 10,555,000	$ 10,136,000
Accrued liability	(3,046,000)	(4,607,000)
Total	$ 7,509,000	$ 5,529,000

[1] Allowances do not include increases in benefit accrual rate effective after the valuation date. The results of the valuation have been adjusted to include these increases.

[2] The ARC is in addition to any administrative expense allotments that are contributed to the System.

2. The valuation takes into account the effect of amendments of the System enacted through the 2008 session of the General Assembly. The major benefit and contribution provisions of the System as reflected in the valuation are summarized in Schedule F. There have been no changes since the previous valuation.

3. Schedule D of this report outlines the full set of actuarial assumptions and methods used to prepare the current valuation. There have been no changes since the previous 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, 2008 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 40,121 active members.

2. The following table shows the number of retired members and beneficiaries on the roll as of June 30, 2008, 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 ON THE ROLL AS OF JUNE 30, 2008

GROUP	NUMBER	ANNUAL RETIREMENT ALLOWANCES*
Service Retirements	11,692	$ 42,203,514
Disability Retirements	1,057	4,947,277
Beneficiaries of Deceased Members	738	1,654,526
Total	13,487	$ 48,805,317

*The allowances do not reflect the increases in benefit accrual rates after the valuation date.

SECTION III - ASSETS

1. The retirement law provides for the maintenance of two funds for the purpose of recording the financial transactions of the System; namely, the Annuity Savings Fund and the Pension Accumulation Fund.

(a) Annuity Savings Fund

The Annuity Savings Fund is the fund to which are credited all contributions made by members together with regular interest thereon. When a member retires, or if a death benefit allowance becomes payable to his beneficiary, his accumulated contributions are transferred from the Annuity Savings Fund to the Pension Accumulation Fund. The portion of the allowance which these contributions provide is then paid from the Pension Accumulation Fund. On June 30, 2008 the value of assets credited to the Annuity Savings Fund amounted to $22,508,000.

(b) Pension Accumulation Fund

The Pension Accumulation Fund is the fund to which all income from investments and all contributions made by employers of members of the System and by the State for members of local retirement funds are credited. All retirement allowance and death benefit allowance payments are disbursed from this fund. Upon the retirement of a member, or upon his death if a death benefit allowance is payable, his accumulated contributions are transferred from the Annuity Savings Fund to this fund to provide the member-contributed portion of the allowance. On June 30, 2008 the market value of assets credited to the Pension Accumulation Fund amounted to $717,856,000.

2. As of June 30, 2008 the total market value of assets amounted to $740,364,000 as reported by the Auditor of the System. The actuarial value of assets used for the current valuation was $791,855,000. Schedule B shows the development of the actuarial value of assets as of June 30, 2008.

3. 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, 2008. 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 $831,324,283, of which $469,600,726 is for the prospective benefits payable on account of present retired members, beneficiaries of deceased members, and members entitled to deferred vested benefits, and $361,723,557 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 $791,855,000 as of June 30, 2008. The difference of $39,469,283 between the total liabilities and the total present assets represents the present value of contributions to be made in the future. Of this amount, $7,267,464 is the present value of future contributions expected to be made by or on behalf of members, and the balance of $32,201,819 represents the present value of future contributions payable by the employers to the Pension Accumulation Fund.

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 $263.07 per active member are required to provide the currently accruing benefits of the System.

4. Prospective normal contributions at the rate of $263.07 have a present value of $53,106,993. When this amount is subtracted from $32,201,819, 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 ($20,905,174).

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 dollar 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. On the basis of the valuation, the normal contribution rate was determined to be $263.07 per active member, or $10,555,000 based on 40,121 active members as of June 30, 2008.
3. The accrued liability contribution is the level annual amount which will be sufficient to amortize the unfunded actuarial accrued liability within 10 years following the valuation date. The annual accrued liability contribution determined on this basis by the June 30, 2008 valuation is ($3,046,000), or ($75.91) per active member.
4. The following table summarizes the employer contribution rates which were determined by the June 30, 2008 valuation and are recommended for use

ANNUAL REQUIRED EMPLOYER CONTRIBUTION (ARC)
FOR FISCAL YEAR ENDING JUNE 30, 2011

CONTRIBUTION	PER ACTIVE MEMBER	ANNUAL AMOUNT
Normal	$ 263.07	$ 10,555,000
Accrued Liability	(75.91)	(3,046,000)
Total	$ 187.16	$ 7,509,000

5. Schedule H shows the allocation of the annual required contribution for fiscal year ending June 30, 2011 by school system.

6. The increase in the annual required contribution for a 25 cent increase in the monthly benefit accrual rate from $14.75 to $15.00 is $587,000 for current retired members and $686,000 for current active members.

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, 2008

GROUP	NUMBER
Retirees and beneficiaries currently receiving benefits	13,487
Terminated employees entitled to benefits but not yet receiving benefits	66,950
Active plan members	40,121
Total	120,558

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

SCHEDULE OF FUNDING PROGRESS
(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b – a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b – a) / c)
6/30/2003	$ 734,879	$ 664,207	$ (70,672)	110.6%	N/A	N/A
6/30/2004	743,815	666,883	(76,932)	111.5	N/A	N/A
6/30/2005*	753,767	671,040	(82,727)	112.3	N/A	N/A
6/30/2006	766,277	691,651	(74,626)	110.8	N/A	N/A
6/30/2007**	785,460	746,078	(39,382)	105.3	N/A	N/A
6/30/2008	791,855	770,950	(20,905)	102.7	N/A	N/A

All figures prior to 6/30/2005 were reported by prior actuarial firm.
*Reflects increase in benefit accrual rate to $14.00.
**Reflects increase in benefit accrual rate to $14.75.

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

Year Ending	Annual Required Contribution	Percentage Contributed
6/30/2003	$ 4,121	86%
6/30/2004	833	100
6/30/2005	833	100
6/30/2006	3,634	100
6/30/2007	6,484	100
6/30/2008	2,866	100

All figures prior to 6/30/2005 were reported by the prior actuarial firm.

4. Following is the calculation of the annual pension cost and net pension obligation for the fiscal year ending June 30, 2008.

Annual Pension Cost and Net Pension Obligation for Fiscal Year Ending June 30, 2008

(a)	Employer annual required contribution	$ 2,866,000
(b)	Interest on net pension obligation	(1,185,000)
(c)	Adjustment to annual required contribution	(1,337,000)
(d)	Annual pension cost (a) + (b) – (c)	$ 3,018,000
(e)	Employer contributions made for fiscal year ending 06/30/08	2,869,000
(f)	Increase (decrease) in net pension obligation (d) – (e)	$ 149,000
(g)	Net pension obligation beginning of fiscal year	(15,796,000)
(h)	Net pension obligation end of fiscal year (f) + (g)	$ (15,647,000)

TREND INFORMATION
(Dollar amounts in thousands)

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2006	$ 4,696	77%	$ (16,026)
June 30, 2007	6,720	97	(15,796)
June 30, 2008	3,018	95	(15,647)

5. The annual required contribution (ARC) of the employer in dollars, determined in accordance with the parameters of GASB 25/27 is shown below. The accrued liability rate is based on amortization of the unfunded accrued liability of ($20,905,174) within a 10-year period from the valuation date.

2010/2011 FISCAL YEAR
ANNUAL REQUIRED CONTRIBUTION (ARC)
BASED ON THE VALUATION AS OF JUNE 30, 2008

ANNUAL REQUIRED CONTRIBUTION (ARC)	AMOUNT
Normal	$ 10,555,000
Accrued Liability	(3,046,000)
Total	$ 7,509,000

6. The information presented in the required supplementary schedules was determined as part of the actuarial valuation at June 30, 2008. Additional information as of the latest actuarial valuation follows.

Valuation date	6/30/2008
Actuarial cost method	Entry age
Amortization method	Level dollar, open
Remaining amortization period	10 years
Asset valuation method	7-year smoothed market
Actuarial assumptions:	
Investment rate of return*	7.50%
Projected salary increases*	N/A
Cost-of-living adjustments	3.00% Annually
*Includes inflation at	3.75%

SECTION VII – EXPERIENCE

1. The last experience investigation was prepared for the four-year period ending June 30, 2004, and based on the results of the investigation, new rates of separation and mortality were adopted by the Board on April 20, 2006. The next experience investigation will be prepared for the period July 1, 2004 through June 30, 2009.

2. The following table shows the estimated gain or loss from various factors that resulted in an increase of $18,477,178 in the unfunded accrued liability from ($39,382,352) to ($20,905,174) during the fiscal year ending June 30, 2008.

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	$ (2,953.7)
Accrued liability contribution	7,267.0
Experience:	
Valuation asset growth	6,623.0
Pensioners' mortality	420.3
Turnover and retirements	3,381.4
New entrants	4,021.0
Method changes	0.0
Amendments	0.0
Assumption changes	0.0
Miscellaneous changes	(281.8)
Total	$ 18,477.2

SCHEDULE A

VALUATION BALANCE SHEET
SHOWING THE PRESENT AND PROSPECTIVE ASSETS AND LIABILITIES OF
THE GEORGIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM
AS OF JUNE 30, 2008

	ACTUARIAL LIABILITIES		
(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	$ 422,786,166	
	- Death and survivor benefits	17,922,001	
	- Deferred vested benefits	28,892,559	
	Total		$ 469,600,726
(2)	Present value of prospective benefits payable on account of present active members		361,723,557
(3)	TOTAL ACTUARIAL LIABILITIES		$ 831,324,283
	PRESENT AND PROSPECTIVE ASSETS		
(4)	Actuarial value of assets		$ 791,855,000
(5)	Present value of total future contributions = (3)-(4)	$ 39,469,283	
(6)	Present value of future member contributions		7,267,464
(7)	Present value of future employer contributions = (5)-(6)	$ 32,201,819	
(8)	Employer normal contribution rate	$ 263.07	
(9)	Present value of future membership service	201,874	
(10)	Prospective normal contributions = (8) x (9)		53,106,993
(11)	Prospective unfunded actuarial accrued liability contributions = (7)-(10)		(20,905,174)
(12)	TOTAL PRESENT AND PROSPECTIVE ASSETS		$ 831,324,283

<u>**SCHEDULE B**</u>

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

(1)	Actuarial Value Beginning of Year		$ 785,460,000
(2)	Market Value End of Year		$ 740,364,000
(3)	Market Value Beginning of Year		$ 811,649,000
(4)	Cash Flow		
	(a)	Contributions	$ 4,320,000
	(b)	Benefit Payments and Expenses	(48,553,000)
	(c)	Net: (4)(a) + (4)(b)	$ (44,233,000)
(5)	Investment Income		
	(a)	Market Total: (2) – (3) – (4)(c)	$ (27,052,000)
	(b)	Assumed Rate	7.50%
	(c)	Amount for Immediate Recognition: [(3) x (5)(b)] + [(4)(c) x (5)(b) x 0.5]	$ 59,215,000
	(d)	Amount for Phased-In Recognition: (5)(a) - (5)(c)	(86,267,000)
(6)	Phased-In Recognition of Investment Income		
	(a)	Current Year: (5)(d) / 7	$ (12,324,000)
	(b)	First Prior Year	7,502,000
	(c)	Second Prior Year	(3,765,000)
	(d)	Third Prior Year	0
	(e)	Fourth Prior Year	0
	(f)	Fifth Prior Year	0
	(g)	Sixth Prior Year	0
	(h)	Total Recognized Investment Gain	$ (8,587,000)
(7)	Actuarial Value End of Year: (1) + (4)(c) + (5)(c) + (6)(h)		$ 791,855,000
(8)	Difference Between Market & Actuarial Values: (2) – (7)		$ (51,491,000)
(9)	Rate of Return on Actuarial Value		6.63%

SCHEDULE C

SUMMARY OF RECEIPTS AND DISBURSEMENTS
(Market Value)

	YEAR ENDING	
Receipts for the Year	June 30, 2008 ($1,000's)	June 30, 2007 ($1,000's)
Contributions:		
Members	$ 1,451	$ 1,420
Employer	2,869	6,490
Subtotal	$ 4,320	$ 7,910
Investment Earnings	(27,052)	106,833
Administrative Expense Allowance	588	588
TOTAL	$ (22,144)	$ 115,331
Disbursements for the Year		
Benefit Payments	$ 48,245	$ 46,464
Refunds to Members	308	319
Administration Expense	588	588
TOTAL	$ 49,141	$ 47,371
Excess of Receipts over Disbursements	$ (71,285)	$ 67,960
Reconciliation of Asset Balances		
Asset Balance as of the Beginning of Year	$ 811,649	$ 743,689
Excess of Receipts over Disbursements	(71,285)	67,960
Asset Balance as of the End of Year	$ 740,364	$ 811,649
Rate of Return	-3.43%	14.75%

SCHEDULE D

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

Adopted by the Board April 20, 2006, with the exception of the valuation interest rate, which was adopted June 16, 2005.

VALUATION INTEREST RATE: 7.50% per annum, compounded annually.

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

	Annual Rates of Withdrawal		
	Years of Service		
Age	**0-4**	**5-9**	**10 & Over**
		Males	
20	36.0%		
25	31.0	19.0%	
30	28.0	16.0	13.0%
35	27.0	15.0	9.0
40	24.0	14.0	8.0
45	21.0	12.5	7.0
50	19.5	11.0	6.5
55	16.0	9.0	6.0
		Females	
20	36.0%		
25	28.0	18.0%	
30	24.0	16.0	11.0%
35	20.0	14.0	10.0
40	19.0	12.5	9.0
45	17.5	11.0	8.0
50	16.0	9.5	7.0
55	13.0	8.0	6.0

Age	Annual Rates of Death Males	Annual Rates of Death Females	Disability
20	0.06%	0.03%	0.00%
25	0.08	0.03	0.00
30	0.08	0.04	0.00
35	0.10	0.06	0.01
40	0.15	0.08	0.02
45	0.23	0.11	0.07
50	0.40	0.17	0.17
55	0.71	0.29	0.45
60	1.29	0.58	0.70
65	2.17	1.08	0.00

RETIREMENT:

Age	Annual Rate	Age	Annual Rate
60	17%	68	25%
61	17	69	25
62	26	70	28
63	18	71	28
64	21	72	28
65	32	73	28
66	25	74	28
67	25	75 & Over	100

DEATHS AFTER RETIREMENT: The 1994 Group Annuity Table set forward four years for males and set forward two years for females is used for the period after service retirement and for beneficiaries of deceased members. The RP-2000 Disability Mortality Table set forward 5 years for males is used for the period after disability retirement. Representative values of the assumed annual rates of mortality for service retirements and beneficiaries are as follows:

Age	Men	Women	Age	Men	Women
40	0.146%	0.083%	65	2.173%	1.076%
45	0.233	0.111	70	3.405	1.651
50	0.398	0.173	75	5.586	2.837
55	0.709	0.292	80	8.961	4.915
60	1.294	0.583	85	13.945	8.402

ASSETS: 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.

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

COST-OF-LIVING ADJUSTMENT (COLA): 3% per year.

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. 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 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 $14.75 multiplied by years of creditable service. A one-time 1.75% increase is made at time of retirement.
Early Retirement Benefit	
Eligibility	Age 60 and 10 years of creditable service.
Benefit	Accrued benefit reduced by 6% for each year member is under age 65.
Disability Retirement Benefit	
Eligibility	15 years of creditable service.
Benefit	Accrued benefit payable immediately.
Deferred Vested Retirement Benefit	
Eligibility	10 years of creditable service. Member contributions not withdrawn.
Benefit	Accrued benefit deferred to age 65 or reduced benefit payable at age 60.
Death Benefit	
Eligibility	Death in service and the member is at least age 60 and has at least 10 years of creditable service.
Benefit	Benefit payable to beneficiary under the joint and survivor annuity payment option.
	If the member dies in service under age 60 or with less than 10 years of creditable service his beneficiary receives a refund of the member's accumulated contributions.

Termination Benefit	
Eligibility	Less than 10 years of creditable service.
Benefit	Return of the member's accumulated contributions.
Payment Options	(1) Life annuity. Guaranteed payment of accumulated member contributions.
	(2) Joint and survivorship annuity.
	(3) Certain and life annuity.
Post-Retirement Adjustments	The Board may from time to time grant a Cost of Living Adjustment.
Contributions	
By Members	Members contribute $4 per month.
By Employers	Employer contributions are actuarially determined and approved and certified by the Board.

SCHEDULE G

NUMBER OF ACTIVE MEMBERS
BY AGE AND SERVICE AS OF JUNE 30, 2008

Attained Age	*Years of Service*									
	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	Total
Under 25	163	339	14	0	0	0	0	0	0	516
25 to 29	217	672	180	4	0	0	0	0	0	1,073
30 to 34	308	1,196	425	83	4	0	0	0	0	2,016
35 to 39	407	1,934	996	294	81	8	0	0	0	3,720
40 to 44	424	2,233	1,589	739	267	107	13	0	0	5,372
45 to 49	408	2,293	1,791	1,049	464	245	88	10	0	6,348
50 to 54	389	2,023	1,457	977	598	415	178	60	5	6,102
55 to 59	312	1,707	1,373	835	627	497	284	132	35	5,802
60 to 64	258	1,553	1,313	678	445	321	219	138	74	4,999
65 to 69	131	856	782	353	148	130	88	86	49	2,623
70 & Up	49	429	550	224	125	69	38	30	36	1,550
Total	3,066	15,235	10,470	5,236	2,759	1,792	908	456	199	40,121

Average Age: 50.7
Average Service: 7.8

SCHEDULE G
(Continued)

NUMBER OF RETIRED MEMBERS AND THEIR BENEFITS BY AGE

Age	Number of Members	Total Annual Benefits	Average Annual Benefits
Under 50	0	$ 0	$ 0
50 – 54	0	0	0
55 – 59	0	0	0
60 – 64	996	2,585,063	2,595
65 – 69	2,458	7,549,838	3,072
70 – 74	2,771	9,525,834	3,438
75 – 79	2,353	9,052,703	3,847
80 – 84	1,629	6,775,347	4,159
85 – 89	972	4,372,042	4,498
90 – 94	394	1,792,882	4,550
95 & Over	119	549,805	4,620
Total	11,692	$ 42,203,514	$ 3,610

NUMBER OF BENEFICIARIES AND THEIR BENEFITS BY AGE

Age	Number of Members	Total Annual Benefits	Average Annual Benefits
Under 50	152	$ 258,139	$ 1,698
50 – 54	63	118,908	1,887
55 – 59	52	97,087	1,867
60 – 64	62	127,833	2,062
65 – 69	79	172,284	2,181
70 – 74	81	218,317	2,695
75 – 79	92	234,664	2,551
80 – 84	78	226,884	2,909
85 – 89	46	131,423	2,857
90 – 94	18	44,761	2,487
95 & Over	15	24,226	1,615
Total	738	$ 1,654,526	$ 2,242

SCHEDULE G
(Continued)

NUMBER OF DISABLED RETIREES AND THEIR BENEFITS BY AGE

Age	Number of Members	Total Annual Benefits	Average Annual Benefits
Under 50	23	$ 83,884	$ 3,647
50 – 54	63	237,455	3,769
55 – 59	140	581,661	4,155
60 – 64	226	1,013,592	4,485
65 – 69	277	1,316,857	4,754
70 – 74	180	914,964	5,083
75 – 79	88	461,598	5,245
80 – 84	35	197,939	5,655
85 – 89	20	111,737	5,587
90 – 94	4	21,633	5,408
95 & Over	1	5,957	5,957
Total	1,057	$ 4,947,277	$ 4,680

SCHEDULE H

ALLOCATION OF 2010-2011
ANNUAL REQUIRED CONTRIBUTION BY SCHOOL SYSTEM

System Number	System Name	Contribution
1	Appling	$ 12,540
2	Atkinson	8,048
3	Bacon	10,855
4	Baker	3,930
5	Baldwin	27,887
6	Banks	16,844
7	Barrow	60,827
8	Bartow	74,302
9	Ben Hill	15,347
10	Berrien	11,042
11	Bibb	128,391
12	Bleckley	15,534
13	Brantley	19,839
14	Brooks	14,786
15	Bryan	27,700
16	Bulloch	56,709
17	Burke	34,250
18	Butts	24,705
19	Calhoun	4,679
20	Camden	43,982
21	Candler	10,481
22	Carroll	84,970
23	Catoosa	55,960
24	Charlton	9,545
25	Chatham	99,943
26	Chattahoochee	2,620
27	Chattooga	14,786
28	Cherokee	174,806
29	Clarke	81,227
30	Clay	2,246
31	Clayton	261,648
32	Clinch	6,176
33	Cobb	489,982
34	Coffee	34,999
35	Colquitt	47,351
36	Columbia	112,482
37	Cook	17,967
38	Coweta	125,022
39	Crawford	10,855

SCHEDULE H
(continued)

ALLOCATION OF 2010-2011
ANNUAL REQUIRED CONTRIBUTION BY SCHOOL SYSTEM

System Number	System Name	Contribution
40	Crisp	$ 26,202
41	Dade	11,604
42	Dawson	18,529
43	Decatur	31,068
44	Dekalb	434,021
45	Dodge	18,903
46	Dooly	11,604
47	Dougherty	94,702
48	Douglas	125,584
49	Early	9,732
50	Echols	3,556
51	Effingham	54,089
52	Elbert	19,465
53	Emanuel	23,956
54	Evans	9,171
55	Fannin	17,967
56	Fayette	81,227
57	Floyd	43,982
58	Forsyth	159,646
59	Franklin	25,266
61	Gilmer	24,518
62	Glascock	4,492
63	Glynn	69,249
64	Gordon	26,015
65	Grady	23,395
66	Greene	11,978
67	Gwinnett	659,739
68	Habersham	37,432
69	Hall	133,631
70	Hancock	10,855
71	Haralson	21,336
72	Harris	26,202
73	Hart	23,769
74	Heard	9,545
75	Henry	172,935
76	Houston	139,246
77	Irwin	7,486
78	Jackson	40,801

SCHEDULE H
(continued)

ALLOCATION OF 2010-2011
ANNUAL REQUIRED CONTRIBUTION BY SCHOOL SYSTEM

System Number	System Name	Contribution
79	Jasper	$ 13,288
80	Jeff Davis	15,909
81	Jefferson	19,465
82	Jenkins	8,984
83	Johnson	7,112
84	Jones	26,951
85	Lamar	16,470
86	Lanier	5,989
87	Laurens	32,378
88	Lee	31,817
89	Liberty	61,950
90	Lincoln	10,107
91	Long	13,663
92	Lowndes	53,902
93	Lumpkin	23,395
94	Macon	13,475
95	Madison	29,010
96	Marion	7,299
97	McDuffie	22,085
98	McIntosh	10,855
99	Meriwether	23,769
100	Miller	6,925
101	Mitchell	11,978
102	Monroe	24,518
103	Montgomery	6,551
104	Morgan	15,909
105	Murray	42,672
106	Muscogee	189,030
107	Newton	104,622
108	Oconee	36,309
109	Oglethorpe	11,417
110	Paulding	124,461
111	Peach	25,266
112	Pickens	29,197
113	Pierce	14,973
114	Pike	19,652
115	Polk	30,694
116	Pulaski	9,171
117	Putnam	20,962

SCHEDULE H
(continued)

ALLOCATION OF 2010-2011
ANNUAL REQUIRED CONTRIBUTION BY SCHOOL SYSTEM

System Number	System Name	Contribution
118	Quitman	$ 1,872
119	Rabun	15,721
120	Randolph	10,668
121	Richmond	187,346
122	Rockdale	92,831
123	Schley	4,866
124	Screven	14,973
125	Seminole	8,984
126	Spalding	69,249
127	Stephens	26,951
128	Stewart	5,428
129	Sumter	34,437
130	Talbot	5,240
131	Taliaferro	2,433
132	Tattnall	20,775
133	Taylor	9,919
134	Telfair	6,925
135	Terrell	8,796
136	Thomas	20,962
137	Tift	26,202
138	Toombs	17,406
139	Towns	7,486
140	Treutlen	5,989
141	Troup	78,981
142	Turner	8,609
143	Twiggs	7,674
144	Union	16,844
145	Upson	29,758
146	Walker	54,463
147	Walton	62,885
148	Ware	35,934
149	Warren	5,802
150	Washington	14,411
151	Wayne	30,133
152	Webster	2,807
153	Wheeler	5,240
154	White	18,154
155	Whitfield	58,019

SCHEDULE H
(continued)

ALLOCATION OF 2010-2011
ANNUAL REQUIRED CONTRIBUTION BY SCHOOL SYSTEM

System Number	System Name	Contribution
156	Wilcox	$ 7,486
157	Wilkes	12,165
158	Wilkinson	9,732
159	Worth	19,839
205	Bremen	5,240
206	Buford	11,604
207	Calhoun	14,037
209	Carrollton	23,769
210	Cartersville	15,534
212	Chickamauga	3,743
214	Commerce	7,299
216	Dalton	21,336
217	Decatur	10,668
219	Dublin	10,481
221	Gainesville	21,523
224	Jefferson	11,978
226	Marietta	42,111
230	Pelham	4,866
232	Rome	17,031
247	Social Circle	8,048
236	Thomasville	8,984
239	Trion	4,492
240	Valdosta	41,736
241	Vidalia	8,984
	Atlanta Metropolitan College	25,641
	Brighten Academy	187
	Charter Conservatory for L and T	187
	DeKalb Technical College	187
	Fulton Science Academy CS	187
	Georgia Magnet Charter School	187
	Georgia Military College	11,417
	Gwinnett Technical College	374
	Kidspeace School of Georgia	1,123
	University Community Academy	1,310