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April 21, 2016

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

Dear Mr. Potvin:

Enclosed is the "Georgia Employees' Group Term Life Insurance Plan for Pre-Retirement Benefits Report of the Actuary on the Valuation Prepared as of June 30, 2015".

The valuation indicates that no employer contribution is required for the fiscal year ending June 30, 2018 on account of life insurance benefits payable under the Plan for active members who die in service.

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

Edward J. Koebel, EA, FCA, MAAA
Principal and Consulting Actuary

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Cavanaugh Macdonald
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The experience and dedication you deserve

EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

GEORGIA EMPLOYEES'
GROUP TERM LIFE INSURANCE PLAN
FOR PRE-RETIREMENT BENEFITS

REPORT OF THE ACTUARY ON THE VALUATION
PREPARED AS OF JUNE 30, 2015

www.CavMacConsulting.com

April 21, 2016

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

Attention: Mr. James A. Potvin, Executive Director

Members of the Board:

Chapters 47-2 and 47-19 of the Code of Georgia which govern the operation of the Georgia Employees' Group Term Life Insurance Plan provide that the actuary shall make periodic valuations of the contingent assets and liabilities of the Insurance Plan on the basis of regular interest and the tables last adopted by the Board of Trustees. In this report, we have determined liabilities for life insurance benefits payable upon death in active service (Pre-Retirement).

We have submitted the report giving the results of the valuation of the Plan prepared as of June 30, 2015. The report indicates that employee contributions at the rate of 0.05% of active payroll for Old Plan members of the Employees' Retirement System, and 0.02% of active payroll for New Plan members of the Employees' Retirement System, members of the Legislative Retirement System and members of the Judicial Retirement System are sufficient to support the pre-retirement benefits of the Plan. No employer contribution is required for the fiscal year ending June 30, 2018 for pre-retirement benefits.

Since the previous valuation, various assumptions and methods have been revised to reflect the results of the experience investigation for the five-year period ending June 30, 2014.

The funding method used for this valuation is the unit credit actuarial cost method with projected benefits. Gains and losses are reflected in the unfunded accrued liability. The actuarial assumptions used are in the aggregate reasonably related to the experience under the Plan and to reasonable expectations of anticipated experience under the Plan. In our opinion, the Plan is operating on an actuarially sound basis and the sufficiency of the funds to provide the benefits called for by the Plan 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 Plan.

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,

Edward A. Macdonald, ASA, FCA, MAAA
President

Cathy Turcot
Principal and Managing Director

Edward J. Koebel, EA, FCA, MAAA
Principal and Consulting Actuary

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GEORGIA EMPLOYEES' GROUP TERM LIFE INSURANCE PLAN
FOR PRE-RETIREMENT BENEFITS
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PREPARED AS OF JUNE 30, 2015

SECTION I - SUMMARY OF PRINCIPAL RESULTS

1. For convenience of reference, the principal results of the valuation are summarized below:

	June 30, 2015	June 30, 2014
Active members:		
Number	35,189	39,101
Annual compensation	$ 1,521,740,814	$ 1,628,712,490
Retired members:		
Number	N/A	N/A
Insurance amount	N/A	N/A
Actuarial Accrued Liability	$ 21,723,473	$ 35,876,833
Market Value of Assets	$ 240,677,000	$ 235,358,000
Unfunded Actuarial Accrued Liability	$ (218,953,527)	$ (199,481,167)
Funding Period	N/A*	N/A*
Funded Ratio	1,107.9%	656.0%
For Fiscal Year Ending	**June 30, 2018**	**June 30, 2017**
Actuarially Determined Employer Contribution (ADEC) rates:		
Total Normal Rate	0.10%**	0.16%**
Employee Rates:		
Old Plan Members	0.05%***	0.05%***
New Plan, LRS and JRS Members	0.02%	0.02%
Employer Normal Rate	0.08%	0.14%
Accrued Liability Rate	(0.08)%	(0.14)%
Total Employer Rate	0.00%	0.00%

* If the unfunded actuarial accrued liability is amortized in accordance with the Board's funding policy, the ADEC is less than $0, which is not allowed under the funding policy. Therefore, the accrued liability contribution rate has been set to such that the total ADEC equals $0.
** Estimated budgeted administrative expenses are included in the normal contribution rate.
*** 0.03% paid by employer.

2. In accordance with GASB 43 and 45, we have determined liabilities separately for life insurance benefits payable upon death in active service (pre-retirement) and those payable upon death after retirement (post-retirement). Separate trusts for pre-retirement life insurance benefits and post-retirement life insurance benefits were established and assets were split during 2007.

3. The major benefit and contribution provisions of the Plan as reflected in the valuation are summarized in Schedule F. There have been no changes since the previous valuation.

4. Since the previous valuation, various assumptions and methods have been revised to reflect the results of the experience investigation for the five-year period ending June 30, 2014. These revised assumptions were adopted by the Board on December 17, 2015. Schedule C of this report outlines the full set of actuarial assumptions and methods used in the valuation. Schedule D of this report outlines the funding policy.

5. Comments on the valuation results as of June 30, 2015 are given in Section IV and further discussion of the contribution levels is set out in Section V.

6. We have prepared the Solvency Test for the Plan's Comprehensive Annual Financial Report. This table is shown in Schedule G.

SECTION II – MEMBERSHIP DATA

Data regarding the membership of the System for use as a basis for the valuation were furnished by the Retirement System office. The following table shows the number of active members and their annual compensation as of June 30, 2015 on the basis of which the valuation was prepared.

THE NUMBER AND ANNUAL COMPENSATION OF ACTIVE MEMBERS AS OF JUNE 30, 2015

GROUP	NUMBER	ANNUAL COMPENSATION
ERS Old Plan	171	$ 10,016,821
ERS New Plan	34,577	1,473,036,540
Legislative Retirement System	102	1,768,851
Judicial Retirement System	339	36,918,602
Total	35,189	$ 1,521,740,814

SECTION III - ASSETS

1. In 2007, separate trusts were established for pre-retirement life insurance benefits and for post-retirement life insurance benefits and assets were split based on actuarial accrued liabilities. Assets in excess of what were actuarially required were transferred to ERS Survivor Benefit Fund.
2. As of June 30, 2015, the total market value of pre-retirement assets amounted to $240,677,000 as reported by the independent auditor of the Plan. The market value of assets is used for the June 30, 2015 valuation.
3. Schedule B 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 outlines the results of the actuarial valuation for pre-retirement life insurance benefits. The valuation was prepared in accordance with the actuarial assumptions set forth in Schedule C.
2. The valuation shows that the Plan has an actuarial accrued liability of $21,723,473 for benefits expected to be paid on account of death while in active membership based on service to the valuation date. Against these liabilities, the Plan has present assets for valuation purposes of $240,677,000. Therefore, the unfunded actuarial accrued liability is equal to ($218,953,527).
3. The funding policy adopted by the Board, as shown in Schedule D, provides that the unfunded actuarial accrued liability as of June 20, 2013 (Transitional UAAL) will be amortized as a level dollar amount over a closed 20-year period. In each subsequent valuation all benefit changes, assumption and method changes and experience gains and/or losses that have occurred since the previous valuation will determine a New Incremental UAAL. Each New Incremental UAAL will be amortized as a level dollar amount over a closed 20-year period from the date it is established.

4. The total UAAL contribution rate is (1.47)% of payroll, determined in accordance with the Board's funding policy. However, since this payment would cause the total employer contribution to be less than $0, the final UAAL contribution rate is determined to be (0.08)%.

5. Schedule E of this report shows the amortization schedules for the Transitional UAAL and the New Incremental UAALs.

6. The following table shows the components of the total UAAL and the derivation of the UAAL contribution rate in accordance with the funding policy:

TOTAL UAAL AND UAAL CONTRIBUTION RATE

	UAAL	Remaining Amortization Period (years)	Amortization Payment
Transitional	$(159,251,487)	18	$(16,407,515)
New Incremental 6/30/2014	(35,244,337)	19	(3,538,915)
New Incremental 6/30/2015	(24,457,703)	20	(2,399,110)
Total UAAL	$(218,953,527)		$(22,345,540)
Estimated Payroll			$1,521,740,814
Calculated UAAL Contribution Rate			(1.47)%
Final UAAL Contribution Rate*			(0.08)%
Blended Amortization Period*			N/A

* If the unfunded actuarial accrued liability is amortized in accordance with the Board's funding policy, the ADEC is less than $0, which is not allowed under the funding policy. Therefore, the accrued liability contribution rate has been set to such that the total ADEC equals $0.

SECTION V – CONTRIBUTIONS

1. The contribution rate of employers consist of a normal contribution rate and an accrued liability contribution rate.
2. The normal contribution rate is equal to the actuarial present value of benefits accruing during the current year as a percent of active member payroll. The normal contribution rate is determined to be 0.09% of payroll for pre-retirement benefits.
3. An additional contribution of $112,200 or 0.01% of payroll is required for administrative expenses for the fiscal year ending June 30, 2018.
4. The total normal contribution rate including administrative expenses is therefore, 0.10% of payroll.
5. The member contribution rate made by or on behalf of ERS Old Plan members is 0.05% of payroll and the member contribution rate made by ERS New Plan members, LRS members and JRS members is 0.02% of payroll. The employer normal contribution rate is determined to be 0.08% of payroll for pre-retirement benefits.
6. If the unfunded accrued liability is amortized in accordance with the funding policy the total employer contribution rate would be less than 0%. Since the funding policy also states that the total employer contribution rate cannot be less than 0%, the accrued liability contribution rate for pre-retirement benefits is set equal to (0.08%) of active members' payroll and there is no required contribution for the pre-retirement benefits.

SECTION VI – ACCOUNTING INFORMATION

1. Governmental Accounting Standards Board Statements 43 and 45 set forth certain items of required supplementary information to be disclosed in the financial statements of the Plan and the employer.

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Market Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
6/30/2010	$ 156,132,000	$ 40,523,213	$ (115,608,787)	385.3%	$ 2,401,973,957	(4.8)%
6/30/2011	184,783,000	40,145,445	(144,637,555)	460.3	2,166,982,265	(6.7)
6/30/2012	183,390,000	39,316,666	(144,073,334)	466.4	1,962,799,952	(7.3)
6/30/2013	204,779,000	37,512,733	(167,266,267)	545.9	1,767,052,357	(9.5)
6/30/2014	235,358,000	35,876,833	(199,481,167)	656.0	1,628,712,490	(12.2)
6/30/2015	240,677,000	21,723,473	(218,953,527)	1,107.9	1,521,740,814	(14.4)

2. The information presented in the required supplementary schedules was determined as part of the actuarial valuation at June 30, 2015. Additional information as of the latest actuarial valuation follows.

Valuation date	6/30/2015
Actuarial cost method	Projected unit credit
Amortization method	Level dollar, open
Remaining amortization period	N/A*
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Investment Rate of Return**	7.5%
Projected Salary Increases	
ERS**	3.25 – 7.00%
JRS**	4.50%
LRS	N/A

* The remaining amortization period is infinite.
** Includes inflation at 2.75%.

SCHEDULE A

VALUATION RESULTS

PREPARED AS OF JUNE 30, 2015
OF THE GEORGIA EMPLOYEES' GROUP TERM LIFE INSURANCE PLAN
FOR PRE-RETIREMENT BENEFITS

(1)	**ACTUARIAL ACCRUED LIABILITY:**	
	Present value of benefits payable on account of present retired members	$ 0
	Present value of benefits payable on account of present active members	21,723,473
	TOTAL ACTUARIAL ACCRUED LIABILITY	$ 21,723,473
(2)	**PRESENT ASSETS FOR VALUATION PURPOSES:**	$ 240,677,000
(3)	**UNFUNDED ACTUARIAL ACCRUED LIABILITY: (1)-(2)**	$ (218,953,527)
(4)	**EMPLOYER NORMAL CONTRIBUTION RATE:**	0.08%
(5)	**ACCRUED LIABILITY CONTRIBUTION:**	(0.08)
(6)	**TOTAL EMPLOYER CONTRIBUTION: (4)+(5)**	0.00%

SCHEDULE B

SUMMARY OF RECEIPTS AND DISBURSEMENTS
(Market Value)

	YEAR ENDING	
Receipts for the Year	**June 30, 2015**	**June 30, 2014**
Insurance Premiums	$ 581,000	$ 607,000
Investment Earnings	8,714,000	35,073,000
TOTAL	$ 9,295,000	$ 35,680,000
Disbursements for the Year		
Death Benefits	$ 3,929,000	$ 5,055,000
Administration Expense	47,000	46,000
TOTAL	$ 3,976,000	$ 5,101,000
Excess of Receipts over Disbursements	$ 5,319,000	$ 30,579,000
Reconciliation of Asset Balances		
Asset Balance as of the Beginning of Year	$ 235,358,000	$ 204,779,000
Excess of Receipts over Disbursements	5,319,000	30,579,000
Asset Balance as of the End of Year	$ 240,677,000	$ 235,358,000
Rate of Return	3.7%	17.3%

SCHEDULE C

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

Adopted by the Board December 17, 2015.

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

SALARY INCREASES: The assumed annual rates of salary increase are as follows:

Members of Employees' Retirement System (ERS)	
Age	**Rate**
20	7.00%
25	6.25
30	5.15
35	4.55
40	4.30
45	4.05
50	3.80
55	3.55
60	3.30
65	3.25

Members of Judicial Retirement System (JRS): 4.50%

No salary increases are assumed for members of the Legislative Retirement System (LRS).

SEPARATIONS BEFORE RETIREMENT: Representative values of the assumed annual rates of separation other than retirement for non-law enforcement officers are as follows. Special rates of separation apply to law enforcement officers.

Annual Rates of Disability				
	ERS Members			
	Non-Law Enforcement		Law	JRS
Age	Males	Females	Enforcement	Members
20	.05%	.02%	.02%	.03%
25	.05	.02	.05	.03
30	.05	.02	.08	.05
35	.05	.02	.16	.08
40	.25	.10	.85	.10
45	.48	.25	1.40	.18
50	.70	.45	2.00	.25
55	1.05	.73	2.70	.45
60				.73
65				1.18

Annual Rates of Withdrawal			
ERS Members – Non-Law Enforcement			
	Years of Service		
Age	0-4	5-9	10 & Over
	Males		
20	35.00%		
25	27.50	15.00%	
30	23.00	11.50	7.50%
35	21.50	10.00	6.00
40	19.50	9.50	4.75
45	18.60	9.00	4.00
50	16.60	7.25	4.25
55	14.50	7.00	4.75
60	14.00	6.00	
65	15.00	10.00	
	Females		
20	30.00%		
25	25.00	17.50%	
30	21.50	12.50	8.25%
35	19.50	10.50	6.00
40	18.25	9.50	5.00
45	16.50	8.00	4.00
50	15.00	7.25	4.25
55	14.00	7.00	4.50
60	14.50	6.25	
65	17.00	11.00	

Annual Rates of Withdrawal				
	ERS Members - Law Enforcement		LRS	JRS
Age	Males	Females	Members	Members
20	15.00%		8.00%	4.00%
25	5.75	4.00%	8.00	4.00
30	5.75	4.00	8.00	4.00
35	5.75	3.75	8.00	4.00
40	5.75	3.00	8.00	6.00
45	5.75	2.00	8.50	4.00
50	5.75	2.00	8.50	3.00
55			9.00	2.50
60			9.00	2.50
65			9.00	2.50

RETIREMENT: Representative values of the assumed annual rates of service retirement for non-law enforcement officers are as follows. Special retirement rates apply to law enforcement officers.

ERS

Age	Non-Law Enforcement Old Plan							
	Early Retirement		Age 60 or 30 years		34 years		More than 34 years	
	Male	Female	Male	Female	Male	Female	Male	Female
50	2.0%	2.0%	7.5%	6.0%	100.0%	100.0%	90.0%	100.0%
52	2.0	2.0	7.5	6.0	100.0	100.0	90.0	100.0
55	3.0	3.5	7.5	10.0	100.0	100.0	75.0	90.0
57	3.5	5.0	10.5	10.0	100.0	100.0	70.0	70.0
60			15.0	20.0	97.5	95.0	40.0	55.0
62			32.0	40.0	97.5	95.0	40.0	65.0
65			35.0	40.0	35.0	40.0	35.0	40.0
67			35.0	35.0	35.0	35.0	35.0	35.0
70			35.0	35.0	35.0	35.0	35.0	35.0
75			100.0	100.0	100.0	100.0	100.0	100.0

Age	Non-Law Enforcement New Plan and GSEPS				Law Enforcement***
	Early Retirement		Normal Retirement		
	Male	Female	Male*	Female**	
50	7.0%	4.5%	70.0%	50.0%	
52	7.0	4.5	70.0	45.0	
55	7.0	6.5	60.0	50.0	20.0%
57	8.0	8.0	50.0	40.0	12.0
60			25.0	30.0	30.0
62			40.0	40.0	35.0
65			32.0	35.0	25.0
67			32.0	32.0	25.0
70			30.0	30.0	100.0
75			100.0	100.0	

* An additional 10% for ages below 55 and 20% for ages 55 to 59 are assumed to retire in the first year eligible for unreduced retirement with 30 years of service.

** An additional 20% are assumed to retire in the first year eligible for unreduced retirement with 30 years of service before age 60.

*** In addition, 100% are assumed to retire with 30 years of service on or before age 50 and 75% are assumed to retire with 30 years of service after age 50 but before age 55.

Annual Rates of Retirement		
Age	LRS	JRS
60	10%	15%
61	10	10
62	15	12
63 – 64	10	10
65 – 66	12	15
67	15	15
68 – 69	12	15
70 – 74	20	25
75	100	100

RATES OF DEATH BEFORE RETIREMENT: The RP-2000 Employee Mortality Table projected to 2025 with projection scale BB is used for both males and females while in active service. Representative values of the assumed annual rates of mortality while in active service are as follows:

Age	Males	Females	Age	Males	Females
20	0.0320%	0.0177%	45	0.1399%	0.1043%
25	0.0349	0.0192	50	0.1983	0.1555
30	0.0412	0.0245	55	0.2810	0.2228
35	0.0717	0.0441	60	0.4092	0.3058
40	0.1001	0.0655	65	0.5600	0.4304

RATES OF DEATHS AFTER RETIREMENT: The RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward 2 years for both males and females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB and set back 7 years for males and set forward 3 years for females is used for the period after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-12% less than the actual number of deaths that occurred during the study period for service retirements and beneficiaries and for disability retirements. Representative values of the assumed annual rates of mortality after service retirement are as follows:

Age	Males	Females	Age	Males	Females
40	0.1127%	0.0790%	65	1.1300%	0.8994%
45	0.1609	0.1230	70	1.8697	1.5281
50	0.2474	0.1872	75	3.2147	2.5220
55	0.4246	0.2918	80	5.5160	4.1628
60	0.6985	0.4923	85	9.5631	7.1239

ASSETS: Market value

ACTUARIAL METHOD: Costs were determined using the Projected Unit Credit Actuarial Cost Method. The annual service cost is the present value of the portion of the projected benefit attributable to participation service during the upcoming year, and the actuarial accrued liability (AAL) is equal to the present value of the portion of the projected benefit attributable to service before the valuation date. Service from hire date through the expected retirement date was used in allocating costs.

ADMINISTRATIVE EXPENSES: Budgeted administrative expenses are added to the normal contribution rate.

SCHEDULE D

FUNDING POLICY #1 OF THE SEAD BOARD OF DIRECTORS

The purpose of this Funding Policy is to state the overall objectives for the Georgia Employees' Group Term Life Insurance Plan for Pre-Retirement Benefits (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 State Employees' Assurance Department Board of Directors 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's beneficiary is expected to receive in the event of the death of the member prior to the member's retirement. In meeting this objective, the System will strive to meet the following funding objectives:

- To develop a pattern of contribution rates expressed as a percentage of employer payroll and measured by valuations prepared in accordance with applicable State laws and the principles of practice prescribed by the Actuarial Standards Board.
- To maintain a stable funded ratio (ratio of actuarial value of assets to actuarial accrued liabilities) that reflects a trend of strong actuarial condition. The long-term objective is to maintain at least 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 remain stable over time, before adjustments for changes in benefits, actuarial methods, and/or actuarial adjustments. The target funded ratio will be 100 percent. In the event that the funded ratio falls below 100%, the targeted funded ratio will be 100% within 20 years of the date the funded ratio first falls below 100%.
- **Unfunded Actuarial Accrued Liability (UAAL)**
    - **Transitional UAAL** – The UAAL established as of the initial valuation date for which this funding policy is adopted shall be known as the Transitional UAAL.
    - **New Incremental UAAL** – Each subsequent valuation will produce a New Incremental UAAL consisting of all benefit changes, assumption and method changes and experience gains and/or losses that have occurred since the previous valuations.
- **UAAL Amortization Period**
    - The transitional UAAL will be amortized over a closed 20 year period beginning on the initial valuation date for which this funding policy is adopted.
    - Each New Incremental UAAL shall be amortized over a closed 20 year period beginning with the year it is incurred.

- **Employer Contribution Rate**
  - **Employer Normal Contribution Rate** – the contribution rate 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 contribution rate will be determined as the summation of the employer Normal Contribution Rate, a contribution rate for administrative expenses, the amortization rate for the Transitional UAAL and the individual amortization rate for each of the New Incremental UAAL bases.
  - In no event shall the employer contribution rate be less than 0%.
  - The valuation methodology, including the amortization of the Unfunded Actuarial Accrued Liability (UAAL), would be expected to maintain reasonably stable contribution rates 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 Projected Unit Credit (PUC) actuarial cost method.
- The long-term annual investment rate of return assumption will be 7.50% net of investment expenses.
- The actuarial value of assets will be equal to the market value of assets as of the valuation date.

The employer contribution rates determined in an annual actuarial valuation will be at least sufficient to satisfy the annual normal cost of the System and amortize the UAAL as a level dollar amount over a period not to exceed 20 years. However in no event shall the employer contribution rate 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 10-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.

SCHEDULE E

AMORTIZATION OF TRANSITIONAL UAAL

Valuation Date	Amortization Period	Balance of Transitional UAAL	Expected UAAL Contribution
6/30/2013	20	$ (167,266,267)	$ (16,407,515)
6/30/2014	19	(163,403,722)	(16,407,515)
6/30/2015	18	(159,251,487)	(16,407,515)
6/30/2016	17	(154,787,834)	(16,407,515)
6/30/2017	16	(149,989,406)	(16,407,515)
6/30/2018	15	(144,831,097)	(16,407,515)
6/30/2019	14	(139,285,915)	(16,407,515)
6/30/2020	13	(133,324,844)	(16,407,515)
6/30/2021	12	(126,916,692)	(16,407,515)
6/30/2022	11	(120,027,929)	(16,407,515)
6/30/2023	10	(112,622,509)	(16,407,515)
6/30/2024	9	(104,661,683)	(16,407,515)
6/30/2025	8	(96,103,794)	(16,407,515)
6/30/2026	7	(86,904,064)	(16,407,515)
6/30/2027	6	(77,014,354)	(16,407,515)
6/30/2028	5	(66,382,916)	(16,407,515)
6/30/2029	4	(54,954,120)	(16,407,515)
6/30/2030	3	(42,668,164)	(16,407,515)
6/30/2031	2	(29,460,762)	(16,407,515)
6/30/2032	1	(15,262,804)	(16,407,515)
6/30/2033	0	0	0

SCHEDULE E
(Continued)

AMORTIZATION OF 2014 INCREMENTAL UAAL

Valuation Date	Amortization Period	Balance of New Incremental UAAL 6/30/2014	Expected UAAL Contribution
6/30/2014	20	$ (36,077,445)	$ (3,538,915)
6/30/2015	19	(35,244,338)	(3,538,915)
6/30/2016	18	(34,348,747)	(3,538,915)
6/30/2017	17	(33,385,988)	(3,538,915)
6/30/2018	16	(32,351,021)	(3,538,915)
6/30/2019	15	(31,238,432)	(3,538,915)
6/30/2020	14	(30,042,399)	(3,538,915)
6/30/2021	13	(28,756,663)	(3,538,915)
6/30/2022	12	(27,374,497)	(3,538,915)
6/30/2023	11	(25,888,669)	(3,538,915)
6/30/2024	10	(24,291,404)	(3,538,915)
6/30/2025	9	(22,574,343)	(3,538,915)
6/30/2026	8	(20,728,503)	(3,538,915)
6/30/2027	7	(18,744,225)	(3,538,915)
6/30/2028	6	(16,611,127)	(3,538,915)
6/30/2029	5	(14,318,045)	(3,538,915)
6/30/2030	4	(11,852,983)	(3,538,915)
6/30/2031	3	(9,203,041)	(3,538,915)
6/30/2032	2	(6,354,354)	(3,538,915)
6/30/2033	1	(3,292,015)	(3,538,915)
6/30/2034	0	0	0

SCHEDULE E
(Continued)

AMORTIZATION OF 2015 INCREMENTAL UAAL

Valuation Date	Amortization Period	Balance of New Incremental UAAL 6/30/2015	Expected UAAL Contribution
6/30/2015	20	$ (24,457,703)	$ (2,399,110)
6/30/2016	19	(23,892,921)	(2,399,110)
6/30/2017	18	(23,285,780)	(2,399,110)
6/30/2018	17	(22,633,104)	(2,399,110)
6/30/2019	16	(21,931,477)	(2,399,110)
6/30/2020	15	(21,177,229)	(2,399,110)
6/30/2021	14	(20,366,411)	(2,399,110)
6/30/2022	13	(19,494,782)	(2,399,110)
6/30/2023	12	(18,557,781)	(2,399,110)
6/30/2024	11	(17,550,505)	(2,399,110)
6/30/2025	10	(16,467,683)	(2,399,110)
6/30/2026	9	(15,303,650)	(2,399,110)
6/30/2027	8	(14,052,314)	(2,399,110)
6/30/2028	7	(12,707,128)	(2,399,110)
6/30/2029	6	(11,261,052)	(2,399,110)
6/30/2030	5	(9,706,522)	(2,399,110)
6/30/2031	4	(8,035,401)	(2,399,110)
6/30/2032	3	(6,238,947)	(2,399,110)
6/30/2033	2	(4,307,758)	(2,399,110)
6/30/2034	1	(2,231,730)	(2,399,110)
6/30/2035	0	0	0

SCHEDULE F

SUMMARY OF MAIN PLAN PROVISIONS
AS INTERPRETED FOR VALUATION PURPOSES

Eligibility for Coverage	Establishment of membership in the Employees' Retirement System of Georgia (ERS), the Georgia Legislative Retirement System (LRS) or the Judicial Retirement System (JRS). ERS new entrants on and after January 1, 2009 and LRS and JRS new entrants on and after July 1, 2009 are excluded from membership.
Premiums	ERS Old Plan Members (Hired before July 1, 1982) Member pays 0.05% of monthly salary. State picks up 0.03% of the member premium. ERS New Plan Members (Hired on or after July 1, 1982 and before January 1, 2009), LRS Members and JRS Members Member pays 0.02% of monthly salary. All ERS and LRS members pay the above premiums. If the member is not covered under the Group Term Life Insurance (GTLI) Plan, employee contributions with interest are refunded upon termination of State employment. Otherwise, no premiums are refundable. Participation is voluntary for JRS Members.
Coverage	The amount of insurance is 18 times current monthly earnable compensation (frozen at age 60). For a member with no creditable service prior to April 1, 1964, the amount decreases from age 60 by ½ of 1% per month until age 65, at which point the member will be covered for 70% of the age 60 coverage.

SCHEDULE G

CAFR SCHEDULE

GA SEAD Pre-retirement: Solvency Test

	Actuarial Accrued Liability for:						
Actuarial Valuation as of 6/30	Active Member Contributions	Retirants & Beneficiaries	Active Members (Employer Funded Portion)	Valuation Assets	Portion of Aggregate Accrued Liabilities Covered by Assets		
	(1)	(2)	(3)		(1)	(2)	(3)
2015	$0	$0	$21,723	$240,677	N/A	N/A	100.0%
2014	0	0	35,877	235,358	N/A	N/A	100.0%
2013	0	0	37,513	204,779	N/A	N/A	100.0%
2012	0	0	39,317	183,390	N/A	N/A	100.0%
2011	0	0	40,145	184,783	N/A	N/A	100.0%
2010	0	0	40,523	156,132	N/A	N/A	100.0%
2009	0	0	61,351	144,161	N/A	N/A	100.0%
2008	0	0	62,171	172,595	N/A	N/A	100.0%
2007	0	0	59,509	185,335	N/A	N/A	100.0%

All dollar amounts are in thousands.