

CITY OF ATLANTA
POLICE OFFICERS' PENSION FUND

ACTUARIAL VALUATION
AS OF JULY 1, 2014

DETERMINES THE CONTRIBUTION
FOR THE 2015/16 FISCAL YEAR



	<u>Page</u>
Discussion	1
<u>Funding Results</u>	
Table I-A	Minimum Required Contribution I-1
Table I-B	Sensitivity Analysis I-2
Table I-C	Gain and Loss Analysis I-3
Table I-D	Present Value of Future Benefits I-4
Table I-E	Present Value of Accrued Benefits I-5
Table I-F	Present Value of Vested Benefits I-6
Table I-G	Entry Age Normal Accrued Liability I-7
Table I-H	Entry Age Normal Cost I-8
<u>Accounting Results</u>	
Table II-A	GASB 25/27 Results II-1
Table II-B	GASB 25/27 Disclosures II-2
Table II-C	SFAS 35 Disclosures II-3
<u>Assets</u>	
Table III-A	Actuarial Value of Assets III-1
Table III-B	Market Value of Assets III-2
Table III-C	Investment Return III-3
Table III-D	Asset Reconciliation III-4
Table III-E	Historical Trust Fund Detail III-5
<u>Data</u>	
Table IV-A	Summary of Participant Data IV-1
Table IV-B	Active Participant Data IV-2
Table IV-C	Active Age-Service Distribution IV-3
Table IV-D	Active Age-Service-Salary Table IV-4
Table IV-E	Inactive Participant Data IV-5
Table IV-F	Projected Benefit Payments IV-6
<u>Methods & Assumptions</u>	
Table V-A	Summary of Actuarial Methods and Assumptions V-1
Table V-B	Changes in Actuarial Methods and Assumptions V-3
<u>Plan Provisions</u>	
Table VI-A	Summary of Plan Provisions VI-1
Table VI-B	Summary of Plan Amendments VI-8



April 12, 2015

Introduction

This report presents the results of the July 1, 2014 actuarial valuation of the City of Atlanta Police Officers' Pension Fund. This valuation is based upon the participant data provided as of July 1, 2014 by the City and plan administrator and asset information provided as of June 30, 2014 by the plan auditor. Except for a cursory review for reasonableness, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of July 1, 2014 and to determine the minimum required contribution under Georgia Code Section 47-20-10 for the City's 2015/16 fiscal year. In addition, this report provides a projection of the long-term funding requirements of the plan, accounting disclosures pursuant to Governmental Accounting Standards Board Statement Nos. 25 and 27 (GASB 25/27), statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table V-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the minimum required contribution rate.

Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the City's 2015/16 fiscal year. The minimum required contribution rate is 26.07% of covered payroll, which represents a decrease of 8.01% of payroll from the prior valuation.

Table I-C provides a breakdown of the sources of change in the contribution rate. Significantly, the rate decreased by 7.32% of payroll due to investment gains, decreased by another 0.96% of payroll due to demographic experience, and increased by 0.27% of payroll due to the assumption change that is described below. The market value of assets



earned 20.81% during the 2013/14 plan year, whereas a 7.50% annual investment return was required to maintain a stable contribution rate.

Georgia Code Section 47-20-10 sets forth many of the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the City will meet the minimum funding requirement if the employer contributions are at least equal to the annual required contribution under GASB 25/27. In addition, Georgia Code Section 47-20-13 exempts public plan sponsors from the minimum funding requirements if the plan's actuarial value of assets exceeds 150% of the present value of accumulated retirement system benefits.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is \$1,380,211,518. As illustrated in Table I-A, current assets are sufficient to cover \$987,507,000 of this amount, the employer's expected contribution for the 2014/15 plan year will cover \$31,979,422 of this amount, the employer's expected contribution for the 2015/16 plan year will cover \$25,440,989 of this amount, and future employee contributions will cover \$85,096,190 of this amount, leaving \$250,187,917 to be covered by future employer funding. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

Contents of the Report

Tables I-D through I-G provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-C provide information needed by both the plan's and the employer's accountants in order to prepare the relevant financial statements that cover the period July 1, 2013 through June 30, 2014. Tables III-A through III-F provide information concerning the assets of the trust fund. Specifically, Table III-A shows the development of the actuarial value of assets, which is based on the market value. Tables IV-A through IV-F provide statistical information concerning the plan's participant population. In particular, Table IV-F gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables V-A through VI-B provide a summary of the actuarial assumptions and methods that are used to value the plan's benefits and of the relevant plan provisions as of July 1, 2014, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

Assumption Change

Since the previous valuation report was prepared, the administrative expense assumption has been increased from 0.50% of future payroll to 0.75% of future payroll.

Certification

This actuarial valuation was prepared by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate and, in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Georgia Code Section 47-20-10. There is



no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,



Charles T. Carr
Consulting Actuary
Southern Actuarial Services Company, Inc.

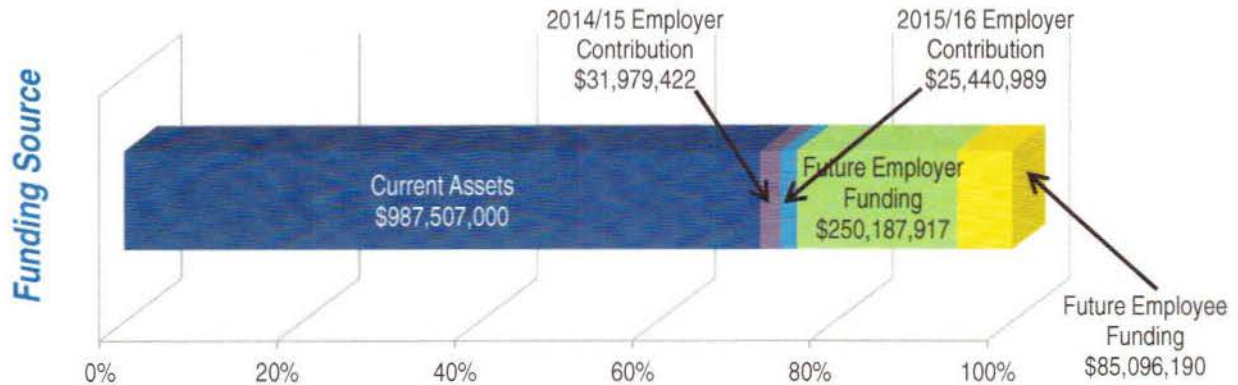
Enrolled Actuary No. 14-04927

The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Minimum Required Contribution

Table I-A



For the 2015/16 Fiscal Year

Entry Age Normal Cost for the 2014/15 Plan Year	\$21,886,075
Unfunded Liability Amortization Payment for the 2014/15 Plan Year	\$13,033,987
Expense Allowance for the 2014/15 Plan Year	\$703,772
Expected Employee Contribution for the 2014/15 Plan Year	(\$10,678,575)
Adjustment to Reflect Semi-Monthly Employer Contributions	\$951,900
	<hr/>
	\$25,897,159
Expected Employer Contribution for the 2014/15 Plan Year	(\$31,979,422)
Remaining Contribution Due/(Credit) for the 2014/15 Plan Year	(\$6,082,263)
	<hr/>
	x 0.075
One Year's Interest Charge/(Credit) on the Remaining Contribution	(\$456,170)
Preliminary Employer Contribution for the 2015/16 Fiscal Year	\$25,440,989
Expected Payroll for the 2015/16 Fiscal Year	÷ \$97,589,786

Minimum Required Contribution Rate **26.07%**

(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the fiscal year.)

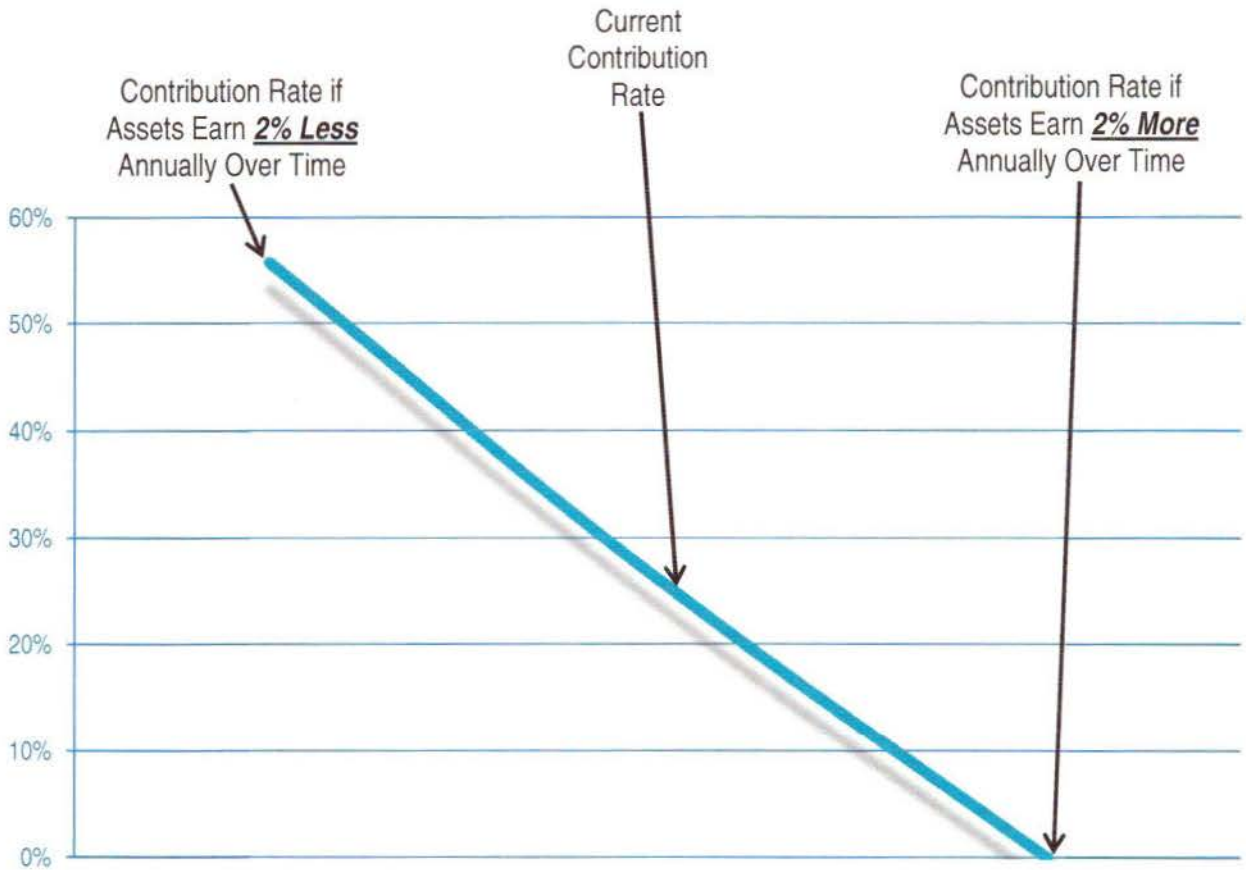
Additional Disclosures

Present Value of Future Compensation	\$747,764,800
Present Value of Future Employer Contributions	\$307,608,328
Present Value of Future Employee Contributions	\$85,096,190



Sensitivity Analysis

Table I-B



The line above illustrates the sensitivity of the contribution rate to changes in the long-term investment return.



Gain and Loss Analysis

Table I-C

Source of Change in the Contribution Rate

Previous minimum required contribution rate	34.08%
Increase (decrease) due to investment gains and losses	-7.32%
Increase (decrease) due to demographic experience	-0.96%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	0.27%
Increase (decrease) due to actuarial method changes	0.00%
Current minimum required contribution rate	<u>26.07%</u>

Source of Change in the Unfunded Liability

Previous unfunded liability	\$341,599,332
Increase due to interest	\$25,619,950
Decrease due to amortization payments	(\$17,002,669)
Increase (decrease) due to plan experience	(\$113,677,751)
Increase (decrease) due to plan amendments	\$0
Increase (decrease) due to actuarial assumption changes	\$0
Increase (decrease) due to actuarial method changes	\$0
Current unfunded liability	<u>\$236,538,862</u>



Present Value of Future Benefits

Table I-D

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$525,365,660	\$525,365,660	\$525,365,660
Termination benefits	\$26,745,664	\$26,745,664	\$26,745,664
Disability benefits	\$27,323,586	\$27,323,586	\$27,323,586
Death benefits	\$8,797,402	\$8,797,402	\$8,797,402
Refund of employee contributions	\$1,572,931	\$1,572,931	\$1,572,931
Sub-total	\$589,805,243	\$589,805,243	\$589,805,243
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$2,081,650	\$2,081,650	\$2,081,650
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$2,081,650	\$2,081,650	\$2,081,650
<i><u>Due a Refund of Contributions</u></i>	\$0	\$0	\$0
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$671,988,989	\$671,988,989	\$671,988,989
Disability retirements	\$55,878,468	\$55,878,468	\$55,878,468
Beneficiaries receiving	\$54,848,932	\$54,848,932	\$54,848,932
DROP participants	\$0	\$0	\$0
Sub-total	\$782,716,389	\$782,716,389	\$782,716,389
<i><u>Grand Total</u></i>	<u>\$1,374,603,282</u>	<u>\$1,374,603,282</u>	<u>\$1,374,603,282</u>



Present Value of Accrued Benefits

Table I-E

	Old Assumptions <u>w/o Amendment</u>	Old Assumptions <u>w/ Amendment</u>	New Assumptions <u>w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$307,652,909	\$307,652,909	\$307,652,909
Termination benefits	\$14,495,051	\$14,495,051	\$14,495,051
Disability benefits	\$21,234,263	\$21,234,263	\$21,234,263
Death benefits	\$5,682,024	\$5,682,024	\$5,682,024
Refund of employee contributions	\$948,524	\$948,524	\$948,524
Sub-total	\$350,012,771	\$350,012,771	\$350,012,771
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$2,081,650	\$2,081,650	\$2,081,650
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$2,081,650	\$2,081,650	\$2,081,650
<i><u>Due a Refund of Contributions</u></i>	\$0	\$0	\$0
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$671,988,989	\$671,988,989	\$671,988,989
Disability retirements	\$55,878,468	\$55,878,468	\$55,878,468
Beneficiaries receiving	\$54,848,932	\$54,848,932	\$54,848,932
DROP participants	\$0	\$0	\$0
Sub-total	\$782,716,389	\$782,716,389	\$782,716,389
<i><u>Grand Total</u></i>	<u>\$1,134,810,810</u>	<u>\$1,134,810,810</u>	<u>\$1,134,810,810</u>



Present Value of Vested Benefits

Table I-F

	<u>Old Assumptions w/o Amendment</u>	<u>Old Assumptions w/ Amendment</u>	<u>New Assumptions w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$277,972,158	\$277,972,158	\$277,972,158
Termination benefits	\$12,265,158	\$12,265,158	\$12,265,158
Disability benefits	\$21,234,263	\$21,234,263	\$21,234,263
Death benefits	\$5,579,842	\$5,579,842	\$5,579,842
Refund of employee contributions	\$2,943,176	\$2,943,176	\$2,943,176
Sub-total	\$319,994,597	\$319,994,597	\$319,994,597
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$2,081,650	\$2,081,650	\$2,081,650
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$2,081,650	\$2,081,650	\$2,081,650
<i><u>Due a Refund of Contributions</u></i>	\$0	\$0	\$0
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$671,988,989	\$671,988,989	\$671,988,989
Disability retirements	\$55,878,468	\$55,878,468	\$55,878,468
Beneficiaries receiving	\$54,848,932	\$54,848,932	\$54,848,932
DROP participants	\$0	\$0	\$0
Sub-total	\$782,716,389	\$782,716,389	\$782,716,389
<i><u>Grand Total</u></i>	<u>\$1,104,792,636</u>	<u>\$1,104,792,636</u>	<u>\$1,104,792,636</u>



Entry Age Normal Accrued Liability

Table I-G

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$395,263,652	\$395,263,652	\$395,263,652
Termination benefits	\$18,197,235	\$18,197,235	\$18,197,235
Disability benefits	\$18,383,205	\$18,383,205	\$18,383,205
Death benefits	\$6,388,140	\$6,388,140	\$6,388,140
Refund of employee contributions	\$1,015,591	\$1,015,591	\$1,015,591
Sub-total	\$439,247,823	\$439,247,823	\$439,247,823
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$2,081,650	\$2,081,650	\$2,081,650
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$2,081,650	\$2,081,650	\$2,081,650
<i><u>Due a Refund of Contributions</u></i>	\$0	\$0	\$0
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$671,988,989	\$671,988,989	\$671,988,989
Disability retirements	\$55,878,468	\$55,878,468	\$55,878,468
Beneficiaries receiving	\$54,848,932	\$54,848,932	\$54,848,932
DROP participants	\$0	\$0	\$0
Sub-total	\$782,716,389	\$782,716,389	\$782,716,389
<i><u>Grand Total</u></i>	<u>\$1,224,045,862</u>	<u>\$1,224,045,862</u>	<u>\$1,224,045,862</u>
<i>less Actuarial Value of Assets</i>	<i>(\$987,507,000)</i>	<i>(\$987,507,000)</i>	<i>(\$987,507,000)</i>
<i><u>Unfunded Accrued Liability</u></i>	<u>\$236,538,862</u>	<u>\$236,538,862</u>	<u>\$236,538,862</u>



Entry Age Normal Cost

Table I-H

	Old Assumptions w/o Amendment	Old Assumptions w/ Amendment	New Assumptions w/ Amendment
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$17,510,529	\$17,510,529	\$17,510,529
Termination benefits	\$1,729,145	\$1,729,145	\$1,729,145
Disability benefits	\$1,935,342	\$1,935,342	\$1,935,342
Death benefits	\$402,182	\$402,182	\$402,182
Refund of employee contributions	\$308,877	\$308,877	\$308,877
Sub-total	\$21,886,075	\$21,886,075	\$21,886,075
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<i><u>Due a Refund of Contributions</u></i>	\$0	\$0	\$0
<i><u>Deferred Beneficiaries</u></i>	\$0	\$0	\$0
<i><u>Retired Participants</u></i>			
Service retirements	\$0	\$0	\$0
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	\$0	\$0	\$0
<i><u>Grand Total</u></i>	<u>\$21,886,075</u>	<u>\$21,886,075</u>	<u>\$21,886,075</u>



GASB 25/27 Results

Table II-A

Development of the Net Pension Obligation (Asset)

Net Pension Obligation (Asset) as of July 1, 2013	\$0
Annual Pension Cost for the 2013/14 Plan Year	\$30,197,000
Employer Contributions for the 2013/14 Plan Year	(\$30,197,000)
Net Increase (Decrease) in NPO	<u>\$0</u>
Net Pension Obligation (Asset) as of July 1, 2014	<u><u>\$0</u></u>



Schedule of Employer Contributions

Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	% <u>Contrib.</u>	Annual Pension <u>Cost</u>	% <u>Contrib.</u>
2009	\$44,810,000	100%	\$44,810,000	100%
2010	\$41,712,000	100%	\$41,712,000	100%
2011	\$39,135,000	100%	\$39,135,000	100%
2012	\$33,748,000	100%	\$33,748,000	100%
2013	\$26,525,000	100%	\$26,525,000	100%
2014	\$30,197,000	100%	\$30,197,000	100%

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1) ÷ (2)	(5) Covered Payroll	(6) UAAL as % of Covered Payroll (3) ÷ (5)
January 1, 2010	\$591,980,609	\$990,600,036	\$398,619,427	59.76%	\$78,519,495	507.67%
January 1, 2011	\$697,667,506	\$1,056,240,007	\$358,572,501	66.05%	\$83,550,807	429.17%
July 1, 2011	\$735,470,000	\$1,036,001,393	\$300,531,393	70.99%	\$73,688,100	407.84%
July 1, 2012	\$733,546,000	\$1,059,361,784	\$325,815,784	69.24%	\$88,296,903	369.00%
July 1, 2013	\$828,815,000	\$1,170,414,332	\$341,599,332	70.81%	\$92,245,466	370.32%
July 1, 2014	\$987,507,000	\$1,224,045,862	\$236,538,862	80.68%	\$93,836,333	252.08%

Additional Information

Valuation Date **July 1, 2014**

Actuarial Cost Method **Entry age normal**

Amortization Method **Level percentage, closed**

Remaining Amortization Period **27 years**

Asset Valuation Method **Market value**

Discount Rate **7.50%**

Salary Increase Rate **4.00%**



SFAS 35 Disclosures

Table II-C

Actuarial Present Value of Accrued Benefits

	<u>As of July 1, 2013</u>	<u>As of July 1, 2014</u>
<u>Vested Benefits</u>		
Participants currently receiving benefits	\$734,960,042	\$782,716,389
Other participants	\$310,251,602	\$322,076,247
Sub-total	<u>\$1,045,211,644</u>	<u>\$1,104,792,636</u>
<u>Non-Vested Benefits</u>	\$28,672,065	\$30,018,174
<u>Total Benefits</u>	<u>\$1,073,883,709</u>	<u>\$1,134,810,810</u>
<u>Funded Percentage</u>	77.18%	87.02%
(based on the market value of assets)		

Statement of Change in Actuarial Present Value of Accrued Benefits

<u>Actuarial Present Value as of July 1, 2013</u>	<u>\$1,073,883,709</u>
<u>Increase (Decrease) Due To:</u>	
Interest	\$80,541,278
Benefits accumulated	\$33,664,823
Benefits paid	(\$53,279,000)
Plan amendments	\$0
Changes in actuarial methods and assumptions	\$0
Net increase (decrease)	<u>\$60,927,101</u>
<u>Actuarial Present Value as of July 1, 2014</u>	<u>\$1,134,810,810</u>



Actuarial Value of Assets

Table III-A

Market Value of Assets as of July 1, 2014	\$987,507,000
Minus advance employer contributions	\$0
Actuarial Value of Assets as of July 1, 2014	<u>\$987,507,000</u>



Historical Actuarial Value of Assets	
January 1, 2006	N/A
January 1, 2007	N/A
January 1, 2008	\$596,457,000
January 1, 2009	\$571,768,000
January 1, 2010	\$591,980,609
January 1, 2011	\$697,667,506
July 1, 2011	\$735,470,000
July 1, 2012	\$733,546,000
July 1, 2013	\$828,815,000
July 1, 2014	\$987,507,000

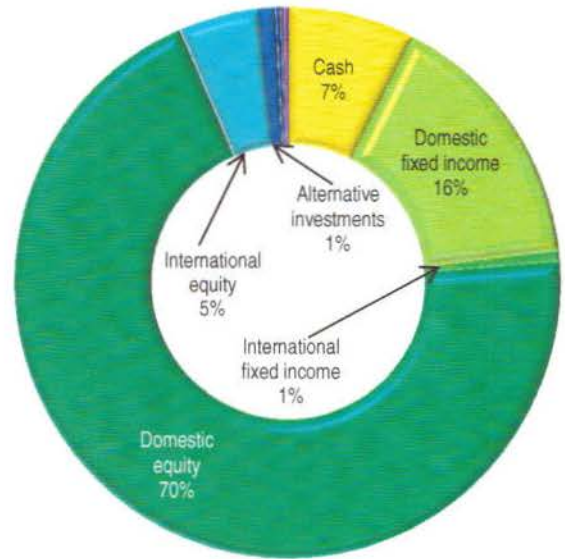


Market Value of Assets

Table III-B

As of July 1, 2014

Market Value of Assets	<u>\$987,507,000</u>
Cash	\$74,523,000
Domestic fixed income	\$155,139,000
International fixed income	\$6,073,000
Domestic equity	\$693,253,000
International equity	\$47,325,000
Alternative investments	\$9,898,000
Income receivable	\$2,353,000
Employer contribution receivable	\$1,654,000
Employee contribution receivable	\$438,000
Due to brokers	(\$2,238,000)
Net accounts payable	(\$911,000)

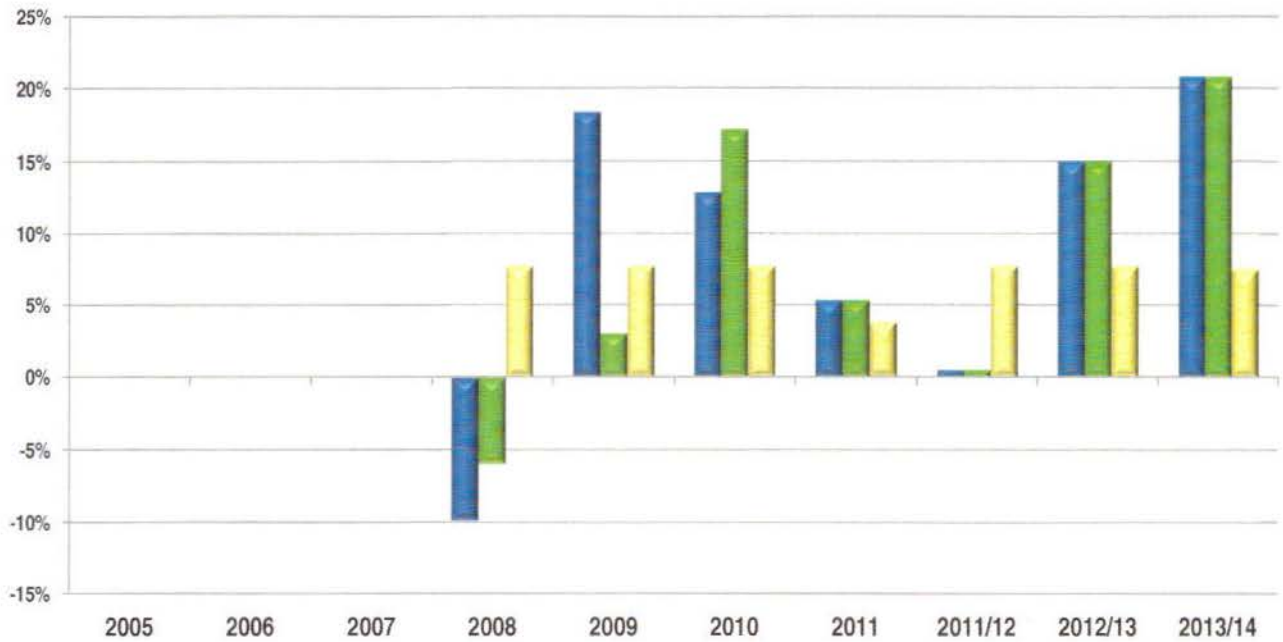


Historical Market Value of Assets	
January 1, 2006	N/A
January 1, 2007	N/A
January 1, 2008	\$561,226,686
January 1, 2009	\$516,308,590
January 1, 2010	\$614,490,006
January 1, 2011	\$697,667,506
July 1, 2011	\$735,470,000
July 1, 2012	\$733,546,000
July 1, 2013	\$828,815,000
July 1, 2014	\$987,507,000



Investment Return

Table III-C



Annual Investment Returns

- Market Value Return
- Actuarial Value Return
- Assumed Return

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2005	N/A	N/A	N/A
2006	N/A	N/A	N/A
2007	N/A	N/A	N/A
2008	-9.85%	-5.92%	7.75%
2009	18.40%	3.02%	7.75%
2010	12.93%	17.21%	7.75%
2011	5.37%	5.37%	3.80%
2011/12	0.51%	0.51%	7.75%
2012/13	15.03%	15.03%	7.75%
2013/14	20.81%	20.81%	7.50%
6.5yr. Avg.	9.22%	8.23%	7.71%



Asset Reconciliation

Table III-D

	<u>Market Value</u>	<u>Actuarial Value</u>
As of July 1, 2013	\$828,815,000	\$828,815,000
<i>Increases Due To:</i>		
Employer Contributions	\$30,197,000	\$30,197,000
Employee Contributions	\$11,232,000	\$11,232,000
Total Contributions	<u>\$41,429,000</u>	<u>\$41,429,000</u>
Interest and Dividends	\$18,045,000	
Gains (Losses)	<u>\$156,987,000</u>	
Total Investment Income	\$175,032,000	\$171,195,000
Other Income	\$3,000	
Total Income	<u>\$216,464,000</u>	<u>\$212,624,000</u>
<i>Decreases Due To:</i>		
Benefit Payments	(\$53,279,000)	(\$53,279,000)
Total Benefit Payments	<u>(\$53,279,000)</u>	<u>(\$53,279,000)</u>
Investment Expenses	(\$3,840,000)	
Administrative Expenses	(\$653,000)	(\$653,000)
Advance Employer Contribution		\$0
Total Expenses	<u>(\$57,772,000)</u>	<u>(\$53,932,000)</u>
As of July 1, 2014	<u><u>\$987,507,000</u></u>	<u><u>\$987,507,000</u></u>



Historical Trust Fund Detail

Table III-E

Income

<u>Plan Year</u>	<u>Employer Contribs.</u>	<u>Employee Contribs.</u>	<u>Interest / Dividends</u>	<u>Gains / Losses</u>	<u>Other Income</u>
2005	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A
2008	\$44,433,944	\$5,632,058	\$19,659,840	-\$73,068,655	\$306,310
2009	\$41,213,384	\$7,428,867	\$10,062,495	\$86,832,237	\$412,899
2010	\$40,422,017	\$6,522,505	\$10,973,135	\$71,141,601	\$110,624
2011	\$19,567,500	\$3,366,500	\$5,409,500	\$33,529,994	\$0
2011/12	\$33,748,000	\$9,541,000	\$13,407,000	-\$6,450,000	\$12,000
2012/13	\$26,525,000	\$11,157,000	\$15,319,000	\$96,713,000	\$0
2013/14	\$30,197,000	\$11,232,000	\$18,045,000	\$156,987,000	\$3,000

Expenses

<u>Plan Year</u>	<u>Benefit Payments</u>	<u>Admin. Expenses</u>	<u>Invest. Expenses</u>
2005	N/A	N/A	N/A
2006	N/A	N/A	N/A
2007	N/A	N/A	N/A
2008	\$38,530,904	\$607,811	\$2,742,878
2009	\$44,024,211	\$1,692,242	\$2,052,013
2010	\$43,378,646	\$54,705	\$2,559,031
2011	\$22,588,000	\$40,500	\$1,442,500
2011/12	\$48,746,000	\$192,000	\$3,244,000
2012/13	\$51,299,000	\$327,000	\$2,819,000
2013/14	\$53,279,000	\$653,000	\$3,840,000

Other Actuarial Adjustments

<u>Advance Employer Contribs.</u>
N/A
N/A
N/A
\$0
\$0
\$0
\$0
\$0
\$0
\$0
\$0

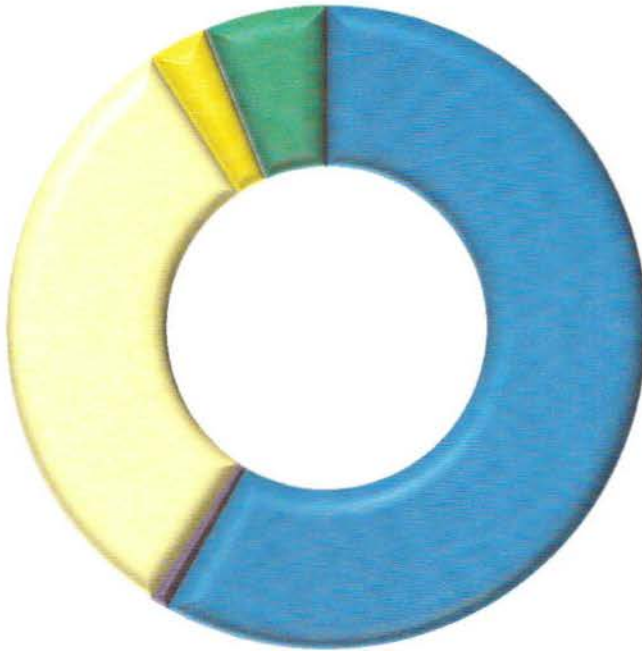
Note: Amounts shown for the 2011 short plan year are estimated.



Summary of Participant Data

Table IV-A

As of July 1, 2014



Participant Distribution by Status

<u>Actively Employed Participants</u>		
◆	Active Participants	2,025
◆	DROP Participants	0
<u>Inactive Participants</u>		
◆	Deferred Vested Participants	35
◆	Due a Refund of Contributions	0
◆	Deferred Beneficiaries	0
<u>Participants Receiving a Benefit</u>		
◆	Service Retirements	1,100
◆	Disability Retirements	105
◆	Beneficiaries Receiving	215
Total Participants		3,480

Number of Participants Included in Prior Valuations

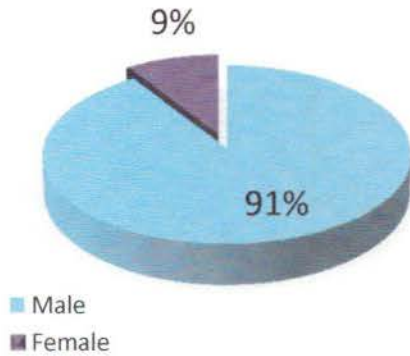
	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
January 1, 2006	1,775	0	0	1,115	2,890
January 1, 2007	1,735	0	0	1,204	2,939
January 1, 2008	1,811	0	0	1,272	3,083
January 1, 2009	1,639	0	0	1,355	2,994
January 1, 2010	1,574	0	3	1,293	2,870
January 1, 2011	1,554	0	18	1,345	2,917
July 1, 2011	1,639	0	29	1,401	3,069
July 1, 2012	1,870	0	29	1,402	3,301
July 1, 2013	2,021	0	30	1,405	3,456
July 1, 2014	2,025	0	35	1,420	3,480



Active Participant Data

Table IV-B

Gender Mix



As of July 1, 2014

Average Age	37.3 years
Average Service	9.4 years
Total Annualized Compensation for the Prior Year	\$93,747,596
Total Expected Compensation for the Current Year	\$93,836,333
Average Increase in Compensation for the Prior Year	N/A
Expected Increase in Compensation for the Current Year	4.00%
Accumulated Contributions for Active Employees	\$88,786,527

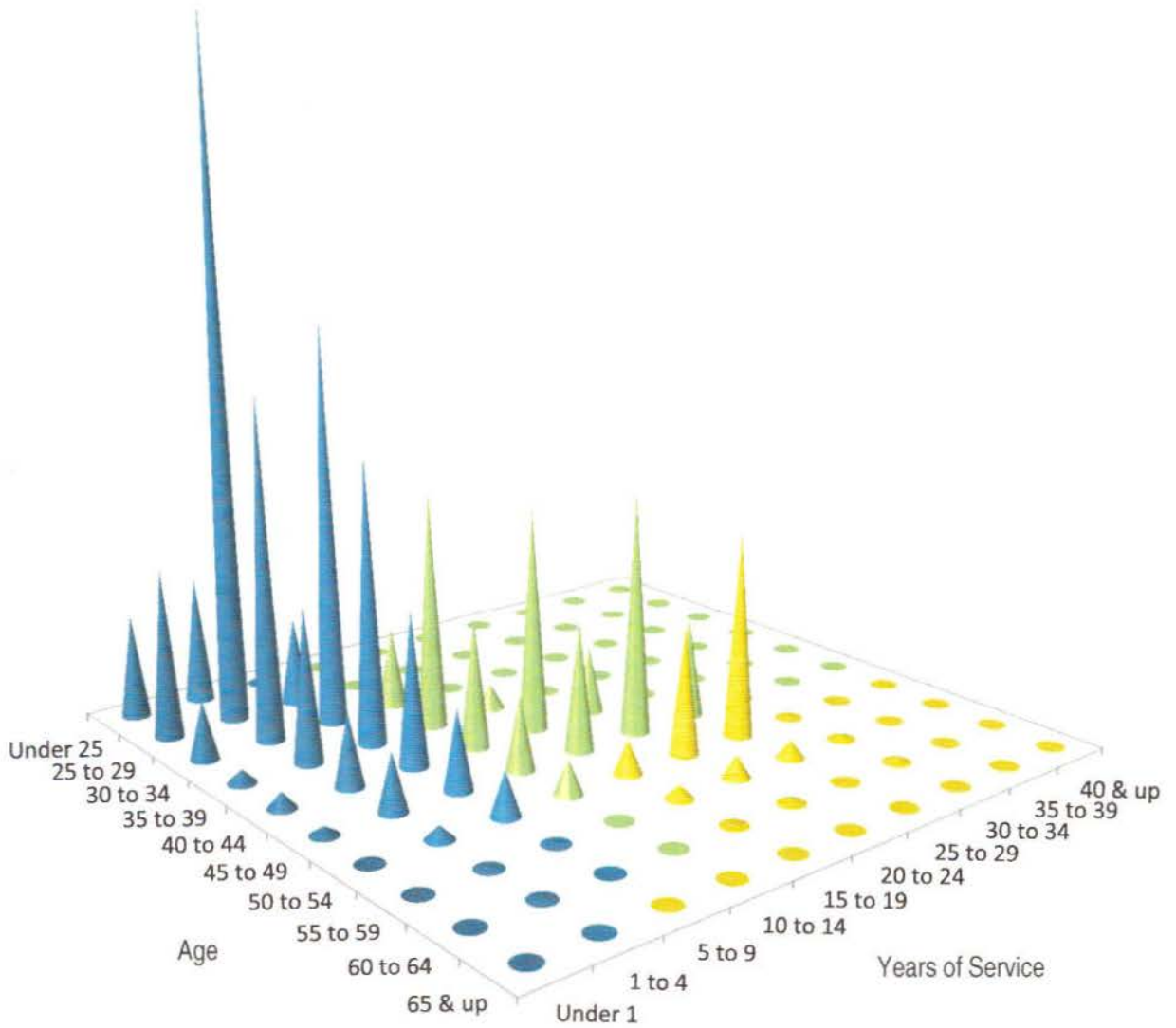
Active Participant Statistics From Prior Valuations

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
January 1, 2006	38.1	11.6	\$44,442	4.50%	3.63%
January 1, 2007	37.5	10.8	\$46,305	4.00%	5.19%
January 1, 2008	37.5	10.4	\$48,199	4.00%	3.44%
January 1, 2009	37.9	11.0	\$51,008	4.00%	3.69%
January 1, 2010	38.9	10.8	\$50,854	4.00%	2.06%
January 1, 2011	39.3	11.0	\$55,477	4.00%	8.14%
July 1, 2011	37.9	10.0	\$46,046	1.98%	N/A
July 1, 2012	37.4	9.5	\$48,806	4.00%	N/A
July 1, 2013	37.1	9.2	\$45,098	4.00%	N/A
July 1, 2014	37.3	9.4	\$46,295	4.00%	N/A



Active Age-Service Distribution

Table IV-C



- ▲ Eligible to retire
- ▲ May be eligible to retire
- ▲ Not eligible to retire



Active Age-Service-Salary Table

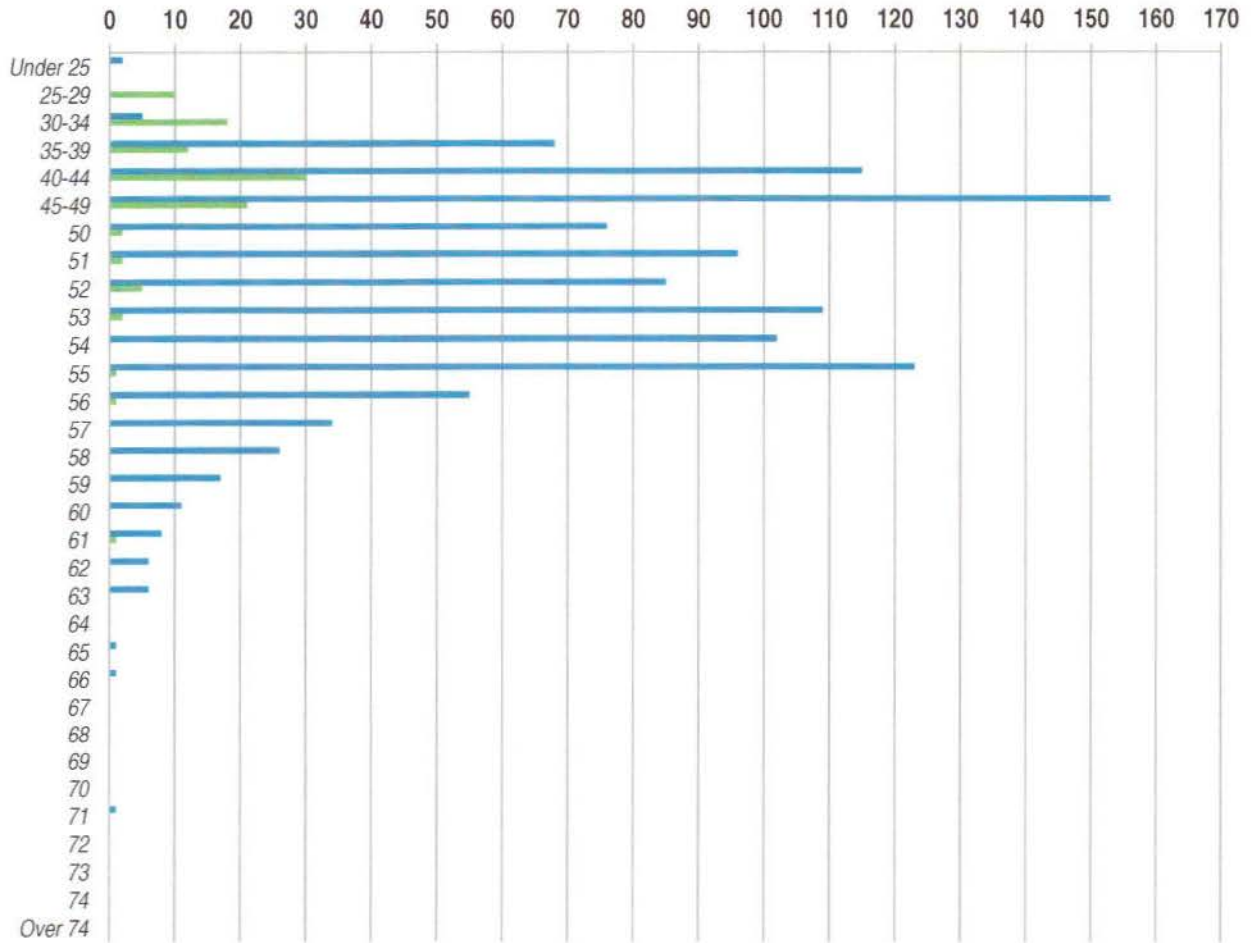
Table IV-D

Attained Age	Completed 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 to 39	40 & up	
Under 25	45	56	0	0	0	0	0	0	0	0	101
Avg.Pay	24,123	37,751	0	0	0	0	0	0	0	0	31,679
25 to 29	74	297	38	0	0	0	0	0	0	0	409
Avg.Pay	24,930	39,075	40,207	0	0	0	0	0	0	0	36,621
30 to 34	25	147	175	35	0	0	0	0	0	0	382
Avg.Pay	21,845	38,894	43,101	43,254	0	0	0	0	0	0	40,105
35 to 39	6	67	123	104	11	0	0	0	0	0	311
Avg.Pay	24,711	39,953	44,929	49,110	51,782	0	0	0	0	0	45,107
40 to 44	7	31	66	56	98	29	0	0	0	0	287
Avg.Pay	20,903	37,662	45,150	48,715	56,053	57,802	0	0	0	0	49,447
45 to 49	4	25	34	32	56	105	43	0	0	0	299
Avg.Pay	46,515	40,494	45,378	48,569	57,809	63,826	69,860	0	0	0	57,654
50 to 54	0	6	19	15	15	56	90	1	0	0	202
Avg.Pay	0	37,149	45,120	49,233	55,201	62,383	68,474	72,169	0	0	61,262
55 to 59	0	1	1	0	6	10	8	2	0	0	28
Avg.Pay	0	42,563	41,113	0	59,069	69,084	71,584	182,091	0	0	73,778
60 to 64	0	1	0	0	1	2	0	2	0	0	6
Avg.Pay	0	44,046	0	0	48,835	60,532	0	68,592	0	0	58,522
65 & up	0	0	0	0	0	0	0	0	0	0	0
Avg.Pay	0	0	0	0	0	0	0	0	0	0	0
Total	161	631	456	242	187	202	141	5	0	0	2,025
Avg.Pay	24,579	38,990	43,899	48,108	56,317	62,789	69,073	114,707	0	0	46,295



Inactive Participant Data

Table IV-E



Age at Retirement

- Service Retirements
- Disability Retirements
- DROP Participants

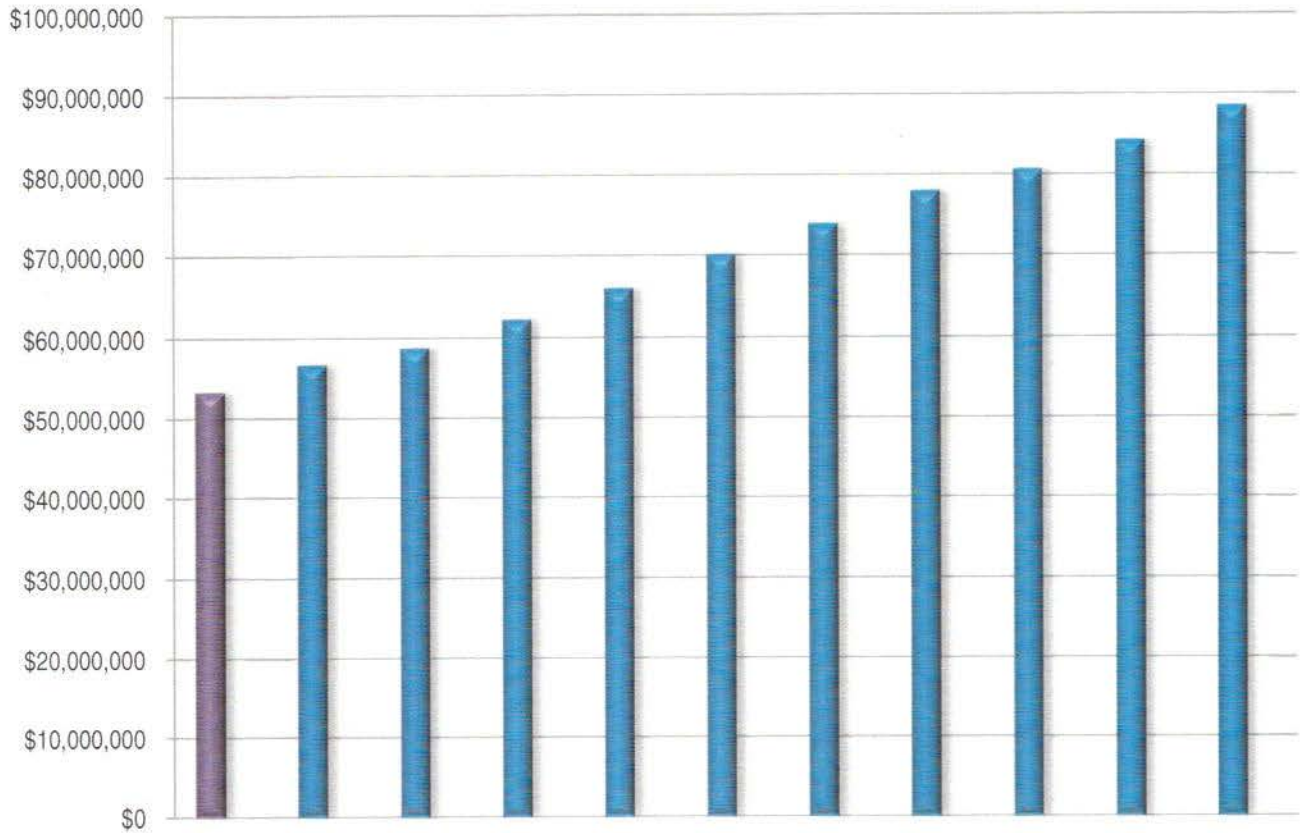
Average Monthly Benefit

Service Retirements	\$3,502.71
Disability Retirements	\$2,981.66
Beneficiaries Receiving	\$1,908.52
DROP Participants	Not applicable
Deferred Vested Participants	\$724.95
Deferred Beneficiaries	Not applicable



Projected Benefit Payments

Table IV-F



Actual

For the period July 1, 2013 through June 30, 2014

\$53,279,000

Projected

For the period July 1, 2014 through June 30, 2015

\$56,749,613

For the period July 1, 2015 through June 30, 2016

\$58,775,285

For the period July 1, 2016 through June 30, 2017

\$62,335,486

For the period July 1, 2017 through June 30, 2018

\$66,064,478

For the period July 1, 2018 through June 30, 2019

\$70,233,589

For the period July 1, 2019 through June 30, 2020

\$73,975,221

For the period July 1, 2020 through June 30, 2021

\$78,048,111

For the period July 1, 2021 through June 30, 2022

\$80,720,867

For the period July 1, 2022 through June 30, 2023

\$84,340,250

For the period July 1, 2023 through June 30, 2024

\$88,548,032



Summary of Actuarial Methods and Assumptions

Table V-A

1. Actuarial Cost Method

Individual entry age normal cost method. Under this actuarial cost method, a level funding cost is developed with respect to each benefit for each participant. The level funding cost for each benefit applies to the period beginning when the participant's service commences and ending when the participant is assumed to cease active participation due to each respective decrement. The actuarial accrued liability is equal to the accumulated level funding cost to the valuation date for all participants. The normal cost is equal to the level funding cost for the year immediately following the valuation date for all active participants.

2. Asset Method

The actuarial value of assets is equal to the market value of assets.

3. Interest (or Discount) Rate

7.50% per annum

4. Salary Increases

Plan compensation is assumed to increase at the rate of 4.00% per annum, unless actual plan compensation is known for a prior plan year.

5. Decrements

- Pre-retirement mortality: Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; deaths prior to retirement are assumed not to be service-connected; future generational improvements in mortality have not been reflected.
- Post-retirement mortality: Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected.
- Disability: Sex-distinct rates set forth in the Wyatt 1985 Disability Study (Class 4); 75% of disabilities are assumed to be service-connected.



Summary of Actuarial Methods and Assumptions

Table V-A

(continued)

- Termination: Withdrawal rates were derived from a study of actual plan experience covering the period 1982 through 1986. A sample of the withdrawal rates is set forth in the following table:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	15.0%	30	7.8%	40	2.30%	50	0.956%
25	11.4%	35	4.9%	45	1.35%	55	0.000%

- Retirement: Retirement is assumed to occur at normal retirement age.

6. **Unused Vacation**

All participants are assumed to have accumulated 30 days of unused vacation upon termination of employment, retirement, or death.

7. **Payroll Increase and Amortization Period**

Total payroll has been assumed to grow at the rate of 4.00% per year for purposes of amortizing the unfunded actuarial accrued liability as a level percentage of payroll; the amortization period is established by City ordinance as a closed 30-year period beginning July 1, 2011.

8. **Expenses**

Administrative expenses are assumed to be 0.75% of future payroll. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.

9. **Cost-of-Living Adjustment**

We have assumed that all eligible retirees will receive an automatic cost-of-living adjustment equal to 3.00% per annum.

10. **Surviving Beneficiaries**

Those active participants who are making the additional 1% employee contribution to provide a survivor benefit to their eligible beneficiaries are assumed to have only one surviving beneficiary of the opposite gender of the employee. Males are assumed to be three years older than females for this purpose.



Changes in Actuarial Methods and Assumptions

Table V-B

Since the previous valuation was completed, the following assumption has been changed:

The administrative expense assumption was increased from 0.50% of future payroll to 0.75% of future payroll.



Summary of Plan Provisions

Table VI-A

1. Monthly Accrued Benefit

For participants who are hired after August 31, 2011:

1% of Average Monthly Earnings multiplied by up to 80 years of Creditable Service

For participants who are hired during the period July 1, 2010 through August 31, 2011:

2% of Average Monthly Earnings multiplied by up to 50 years of Creditable Service

For all other participants:

3% of Average Monthly Earnings multiplied by up to 26.667 years of Creditable Service

2. Normal Retirement Age and Benefit

- **Age**

Any age with at least 30 years of Creditable Service (*only for participants who are covered by the '05 Amendment*); or

Age 55 with at least 10 years of Creditable Service (*only for participants who are hired prior to July 1, 2010*); or

Age 55 with at least 15 years of Creditable Service (*only for participants who are hired prior to September 1, 2011*); or

Age 57 with at least 15 years of Creditable Service; or

Age 65 with at least 5 years of Creditable Service

- **Amount**

Monthly Accrued Benefit

- **Form of Payment**

Life annuity (*for those participants without an eligible beneficiary*); or

75% joint and contingent annuity (*for those participants with an eligible beneficiary; benefits continue in equal shares to the participant's dependent children upon the death of the participant's spouse or domestic partner or, for participants not covered by the '86 Amendment, upon the remarriage of the participant's spouse or domestic partner; survivor benefits are actuarially adjusted with respect to participants who are hired after August 31, 2011*)

Note: All annuity forms of payment include an automatic cost-of-living adjustment effective each January 1 based on the increase in the Consumer Price Index as of the preceding November 1 and limited to 3% (*limited to 1% with respect to participants who are hired after August 31, 2011*). All annuity forms of payment also provide a minimum payout equal to the employee's accumulated contributions, with interest credited after 1985 at the rate of 5% per year (or less than 5% with respect to any year during which the trust fund earns less than 5% on its investments).



Summary of Plan Provisions

Table VI-A

(continued)

3. **Early Retirement Age and Benefit**

- **Age**
Any age with at least 10 years of Creditable Service *(15 years of Creditable Service for participants who are hired after June 30, 2010; minimum age of 47 for participants who are hired after August 31, 2011)*
- **Amount**
Monthly Accrued Benefit *(payable at Normal Retirement Age); or*
Monthly Accrued Benefit reduced by ½% for each of the first 60 months and by ¼% for each additional month by which the participant's Early Retirement Age precedes Normal Retirement Age *(payable at Early Retirement Age and applicable only to those participants who are hired prior to September 1, 2011); or*
Monthly Accrued Benefit reduced by ½% for each month by which the participant's Early Retirement Age precedes Normal Retirement Age *(payable at Early Retirement Age and applicable only to those participants who are hired after August 31, 2011); or*
Monthly Accrued Benefit reduced by ¼% for each month by which the participant's Early Retirement Age precedes age 55 *(payable at Early Retirement Age and only applicable if the participant was hired prior to April 1, 1978 and has earned at least 25 years of Creditable Service)*
- **Form of Payment**
Same as for Normal Retirement

4. **Delayed Retirement Age and Benefit**

- **Age**
After Normal Retirement Age
- **Amount**
Monthly Accrued Benefit
- **Form of Payment**
Same as for Normal Retirement



Summary of Plan Provisions

Table VI-A

(continued)

5. Disability Retirement Eligibility and Benefit

- **Eligibility**

All active participants are eligible if the disability is service-connected;
At least five years of Creditable Service is required otherwise.

- **Condition**

The participant must become “totally and permanently disabled” and must remain so disabled until age 55. “Totally and permanently disabled” means the participant is in a continuous state of incapacity due to illness or injury, is prevented from performing his regular assigned or comparable duties during the first 12 months of his disability, and is thereafter prevented from engaging in any occupation for which he is or becomes reasonably qualified by education, training, or experience. With respect to participants who are not covered by the '86 Amendment, the participant must only be prevented from performing his regular assigned or comparable duties during the entire period of his disability.

- **Amount**

For participants who incur a catastrophic injury in the line of duty:

100% of the top salary for the grade and position occupied by the participant at the time of disability

For all other participants who are covered by the '86 Amendment:

Greater of 50% of Average Monthly Earnings at the time of disability or Monthly Accrued Benefit, offset by worker's compensation payments such that the combination of payments does not exceed 75% of the participant's salary at the time of disability (*payable until the earlier of recovery from disability or Normal Retirement Age*); and

Monthly Accrued Benefit based on Average Monthly Earnings at the time of disability and Creditable Service including the period during which the participant was disabled, but excluding any cost-of-living adjustments that were previously applied to the participant's disability payments (*payable at Normal Retirement Age*)

For all other participants with a service-connected disability:

Greater of 70% of the top salary for the grade and position occupied by the participant at the time of disability or Monthly Accrued Benefit, offset by worker's compensation payments such that the combination of payments does not exceed 100% of the participant's salary at the time of disability

For all other participants:

Monthly Accrued Benefit, offset by worker's compensation payments such that the combination of payments does not exceed 100% of the participant's salary at the time of disability

- **Form of Payment**

Same as for Normal Retirement



Summary of Plan Provisions

Table VI-A

(continued)

6. **Deferred Vested Benefit**

- **Age**
Any age with at least five years of Creditable Service
- **Amount**
Monthly Accrued Benefit multiplied by the participant's Vested Percentage and payable at age 60
- **Form of Payment**
Same as for Normal Retirement

7. **Pre-Retirement Death Benefit**

For participants who die in the line of duty and who are covered by the '86 Amendment:

- 100% of the participant's base salary at the time of his death, offset by worker's compensation or other payments received for line of duty injuries prior to the participant's death (*payable for the first two years after the participant's death*); and
- 75% of the Monthly Accrued Benefit (*payable thereafter*)

For all other participants who die in the line of duty:

- 100% of the participant's base salary at the time of his death, offset by worker's compensation or other payments received for line of duty injuries prior to the participant's death (*payable for the first two years after the participant's death*); and
- 75% of the greater of: (a) the Monthly Accrued Benefit, or (b) 70% of the top salary for the grade and position occupied by the participant at his death (*payable thereafter*)

For all other participants:

- 75% of the Monthly Accrued Benefit



Summary of Plan Provisions

Table VI-A

(continued)

8. Vested Percentage

Retirement benefits with respect to those participants who are hired prior to July 1, 2010 become vested in accordance with the following schedule:

Years of Creditable Service	Vested Percentage
Less than five	0%
At least five, but less than six	25%
At least six, but less than seven	30%
At least seven, but less than eight	35%
At least eight, but less than nine	40%
At least nine, but less than 10	45%
At least 10	100%

Retirement benefits with respect to those participants who are hired after June 30, 2010 become vested in accordance with the following schedule:

Years of Creditable Service	Vested Percentage
Less than five	0%
At least five, but less than six	25%
At least six, but less than seven	30%
At least seven, but less than eight	35%
At least eight, but less than nine	40%
At least nine, but less than 10	45%
At least 10, but less than 11	50%
At least 11, but less than 12	55%
At least 12, but less than 13	60%
At least 13, but less than 14	65%
At least 14, but less than 15	70%
At least 15	100%



Summary of Plan Provisions

Table VI-A

(continued)

9. Average Monthly Earnings

The participant's Average Monthly Earnings is equal to: (a) the average of the participant's Base Salary for the highest 36 consecutive months during his period of Creditable Service; plus (b) the difference between the highest and lowest daily rate of pay during such 36-month period multiplied by the days of unused sick leave and divided by 36; plus (c) a credit based on accumulated unused vacation. *(The averaging period is 120 months with respect to participants who are hired after August 31, 2011 and average monthly earnings does not include unused sick leave for these participants.)*

10. Base Salary

The employee's basic salary excluding overtime pay and other special compensation; pursuant to Internal Revenue Code (IRC) section 401(a)(17), total annual plan compensation is limited to \$200,000 as indexed.

11. Employee Contribution

All participating employees must make the required pre-tax contribution to the plan. The required contribution for participants who were hired prior to 1984 is 8% of basic salary for those participants who have an eligible beneficiary and 7% of basic salary for those participants who do not have an eligible beneficiary. The required contribution for participants who were hired during the period 1984 through August 31, 2011 is 13% of basic salary (8% prior to November 1, 2011) for those participants who have an eligible beneficiary and 12% of basic salary (7% prior to November 1, 2011) for those participants who do not have an eligible beneficiary. The required contribution for participants who are hired after August 31, 2011 is 8% of basic salary. An eligible beneficiary is the participant's legal spouse, registered domestic partner, or unmarried child under the age of 18. The participant must have been married or registered to his legal spouse or domestic partner for at least one year prior to his death in order for such individual to be an eligible beneficiary. *(During the period March, 1994 through June, 2009, the required contribution was 1% lower for all participants; prior to March, 1994, the contribution was made on an after-tax basis.)*



Summary of Plan Provisions

Table VI-A

(continued)

12. Creditable Service

Creditable Service includes "base creditable service" (plus an "unused sick leave service credit" for those participants who were hired prior to September 1, 2011) plus military service as required by federal law. Base creditable service is granted for all periods of full-time employment as a firefighter with the City of Atlanta provided that the employee has made the required contribution for such period of service. With respect to eligible participants, an unused sick leave service credit is granted by dividing the participant's days of unused sick leave by the number of work days set forth in the following chart:

Years of Base Creditable Service	Work Days
Less than five	239
At least five, but less than 10	236
At least 10, but less than 15	233
At least 15, but less than 20	230
At least 20	226

Creditable Service also includes other service with the City of Atlanta if the relevant contributions are transferred into this plan and may include prior service with the State of Georgia, Fulton County, Dekalb County, or as a teacher in a public school system or private college or university within the State of Georgia if the required contribution is made to the plan.

13. Participation Requirement

All full-time police officers employed by the City of Atlanta are eligible to participate in the plan.

14. Plan Effective Date

April 1, 1978



Summary of Plan Amendments

Table VI-B

No plan changes have been adopted since the previous valuation was completed.

