City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

Actuarial Valuation and Review as of July 1, 2014

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April 29, 2015

Board Members
City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education
Atlanta, Georgia

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of July 1, 2014. It summarizes the actuarial data used in the valuation, establishes the funding requirements for fiscal 2016 and analyzes the preceding year's experience.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Pension Fund. The census information on which our calculations were based was prepared by the GEMGroup and the financial information was provided by Plan auditors (KPMG LLP). That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements 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; and changes in plan provisions or applicable law.

The actuarial calculations were directed under the supervision of Jeanette R. Cooper, FSA, FCA, MAAA, Enrolled Actuary. Ms. Cooper 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 herein. To the best of her knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in her opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the Plan.

We hereby certify that the City of Atlanta General Employees' Pension Fund for the Employees of the Atlanta Board of Education has been funded in conformity with the minimum funding standards specified in Code Section 47-20-10 of the Official Code of Georgia Annotated known as the Public Retirement Systems Standards Law. This certification covers the 2014 fiscal year of the Plan.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

Segal Consulting, a Member of The Segal Group, Inc.

By: ______________________ ______________________

Eric J. Atwater, FSA, FCA, MAAA, EA
Vice President and Consulting Actuary

Jeanette R. Cooper, FSA, FCA, MAAA, EA
Vice President and Consulting Actuary

SECTION 1

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SECTION 2

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Purpose

This report has been prepared by Segal Consulting to present a valuation of the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education as of July 1, 2014. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- The benefit provisions of the Pension Fund, as administered by the Board;
- The characteristics of covered active participants, inactive vested participants, and retired participants and beneficiaries as of July 1, 2014, provided by the GEMGroup;
- The assets of the Plan as of June 30, 2014, provided by the Plan auditors (KPMG LLP);
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

Executive Summary

The following key findings were the result of this actuarial valuation:

1. The July 1, 2014 valuation is used to determine the recommended contribution for the fiscal period July 1, 2015 to June 30, 2016 (FY ‘16). The recommended contribution is adjusted for interest to the middle of the fiscal year and based on the minimum amount required to satisfy the minimum funding standards under Georgia law by virtue of Code Section 47-20-10. Georgia Code Section 47-20-10(b) allows a Plan to be in compliance if the sponsor makes contributions equal to the Annual Required Contribution (ARC) under Governmental Accounting Standards Board (GASB) Statement No. 25. Note that the term ARC has been replaced by Actuarially Determined Contributions (ADEC) under the new GASB standards.
2. The Plan currently receives employee contributions of 7% or 8% of base salary and the Employer contributes an amount to make up the difference between the employee contributions and the recommended contribution amount. The recommended contribution amount is composed of the employer’s Normal Cost and a payment to amortize the Unfunded Actuarial Accrued Liability (UAAL).
3. On June 2, 2014, the Atlanta Board of Education adopted a resolution (Report 13/14-0117) to change the funding policy. The revised policy increases the FY ‘14 contribution 3.0% annually until the Plan is fully funded.

4. **If the Plan earns the assumed 7.50% annual investment return and increases the contribution 3.0% annually, then the unfunded liability would be fully amortized in about 15 years.** If the Plan earns the assumed 7.50% annual investment return and does not increase the contribution annually, then the UAAL would be fully amortized in about 21 years.
5. The School Board's recommended contribution for FY '16 is $50.4 million. This amount is an increase of $1.5 million over the prior valuation's contribution primarily attributable to a higher amortization payment toward the UAAL due to the mandated 3% increase (*see Section 2, Chart 14 for detailed reconciliation*).
6. The plan's Unfunded Actuarial Accrued Liability (UAAL) decreased by about $12.2 million from approximately $533.0 million to about $520.8 million (*see Section 3, Exhibit G for details*). Total plan contributions during the fiscal period July 1, 2014 to June 30, 2015 were sufficient to cover the normal cost plus interest on the UAAL. Therefore, the UAAL decreased by about $7.4 million due to the contributions being greater than the normal cost and interest on the UAAL. The UAAL decreased about $0.8 million due to investment performance better than assumed and about $4.0 million due to non-investment gains.
7. The funded ratio for this plan, based on the actuarial value of assets, increased about 0.7% from 17.8% to 18.5% as of July 1, 2014. On a market value basis, the funded percentage has increased about 1.2% from 17.8% to 19.0% over the same period. The last ten years of funding progress are shown in *Exhibit III of Section 4*.
8. The market value of assets earned about 11.0% over the period July 1, 2013 through June 30, 2014. Note that the total fund earned about 18.1%; however, the School Board plan was allocated a disproportionate amount of administrative expenses per the June 30, 2014 audit. The Plan was allocated about 85% of the total $9.8 million administrative expenses for 2014-2015 or about $8.3 million. The School Board plan has about 10% of the assets and if the assets had been allocated proportionately, the School Board's market value would have been about $7.3 million higher and the funded percentage would have been about 1.1% higher as of July 1, 2014. Last year, administrative expenses were allocated in relation to the beginning-of-year market value of each plan. **We suggest the Board meet with the auditors before the audit is finalized to discuss allocation of the administrative expenses.**
9. To minimize the impact of market fluctuations on the School Board's required contributions, the Plan uses an asset valuation method that recognizes 20% of each year's net market value gain or loss. Based on this methodology, the Plan's actuarial value of assets earned 8.2% on an annualized basis, compared with the valuation assumption of 7.5%, generating an investment gain of about $0.8 million.

10. The actuarial valuation report as of July 1, 2014 is based on financial information as of that date. Changes in the value of assets subsequent to that date, to the extent that they exist, are not reflected. Declines in asset values will increase the actuarial cost of the Plan, while increases will decrease the actuarial cost of the Plan. For example, a 10% decrease in the current year's actuarial value of assets would produce the same recommended contribution level but the effective amortization period would have been about 0.5 years longer.

11. As indicated in Section 2, Subsection B of this report, the total unrecognized investment gain as of June 30, 2014 is $3.1 million. This investment gain will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years, to the extent it is not offset by recognition of investment losses derived from future experience. This implies that earning the assumed rate of investment return of 7.50% per year (net of expenses) on a market value basis will result in investment gains on the actuarial value of assets in the next few years. Therefore, if the actual market return is equal to the assumed 7.50% rate and all other actuarial assumptions are met, the contribution requirements would decrease in each of the next few years.

12. Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68 are effective for fiscal years beginning after June 15, 2013 and June 15, 2014, respectively. GASB 67 and 68 information is not included in this report. Segal provided the GASB 67 disclosures for the period ending June 30, 2014 to the School Board's auditors under separate cover on October 30, 2014. The required disclosures under GASB 68 will be provided under separate cover around October 2015. The disclosures for GASB Statement No. 27, however, are included in Section 4 of this report, and exhibits that were previously required for GASB 25 are included as well, for informational purposes.

13. There have been no changes in actuarial assumptions or plan provisions since the last valuation.

Summary of Key Valuation Results

Fiscal Year	**2015**	**2014**
Contributions for Fiscal Year beginning July 1:		
1. Total normal cost	$3,477,451	$3,758,392
2. Expected employee contributions	1,555,628	1,688,423
3. Payment to amortize unfunded liability	45,272,426	43,719,689
4. Total required School Board annual contributions for the fiscal year: (1) - (2) + (3)*	$50,400,000	$48,900,000
GASB 25/27 for Fiscal year ending June 30:		
5. Annual required contributions at beginning of year	$47,194,249	$45,789,658
6. Actual employer contributions	48,900,000**	48,000,000
Plan Year	**2014**	**2013**
Funding elements for plan year beginning July 1:		
7. Actuarial value of assets	$118,200,070	$115,509,000
8. Market value of assets	121,324,000	115,509,000
9. Actuarial accrued liability	639,018,959	648,514,030
10. Unfunded actuarial accrued liability: (9) - (7)	520,818,889	533,005,030
11. Funded ratio - actuarial basis: (7) / (9)	18.5%	17.8%
12. Funded ratio - market basis: (8) / (9)	19.0%	17.8%
13. Effective amortization period (based on 3.0% above prior year’s cost)	16.698	15.363
Demographic data for plan year beginning July 1:		
14. Number of retired participants and beneficiaries	2,141	2,165
15. Number of terminated vested participants***	43	27
16. Number of active participants	698	737
17. Total payroll	$20,072,615	$21,786,097
18. Average payroll	28,757	29,561

* *Adjusted for timing.*

** *Unaudited amount for Fiscal Year ending June 30, 2015 as provided by the School Board*

****Includes ten terminated participants with contributions remaining in the Plan as of July 1, 2014.*

A. PARTICIPANT DATA

The Actuarial Valuation and Review considers the number and demographic characteristics of covered participants, including active participants, vested terminated participants, retired participants and beneficiaries.

This section presents a summary of significant statistical data on these participant groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibits A, B, and C.

A historical perspective of how the participant population has changed over the past ten valuations can be seen in this chart.

CHART 1

Participant Population: 2004 – 2014

Year Ended	Active Participants*	Vested Terminated Participants**	Retired Participants and Beneficiaries	Ratio of Non-Actives to Actives
December 31:				
2004	1,499	- -	2,412	1.61
2005	974	148	2,552	2.77
2006	1,026	148	2,485	2.57
2007	972	51	2,458	2.58
2008	974	43	2,362	2.47
June 30:				
2010	871	38	2,467	2.88
2011	803	28	2,312	2.91
2012	763	26	2,253	2.99
2013	737	27	2,165	2.97
2014	698	33	2,141	3.11

**Excludes participants receiving Workers' Compensation benefits.*
***Excludes terminated participants due a refund of employee contributions.*

Active Participants

Plan costs are affected by the age, years of service and payroll of active participants. In this year's valuation, there were 698 active participants with an average age of 50.6, average years of service of 13.8 years and average payroll of $28,757. The 737 active participants in the prior valuation had an average age of 50.3, average service of 13.6 years and average payroll of $29,561.

Inactive Participants

In this year's valuation, there were 33 participants with a vested right to a deferred or immediate vested benefit.

In addition, there were ten participants entitled to a return of their employee contributions.

These graphs show a distribution of active participants by age and by years of service.

CHART 2

Distribution of Active Participants by Age as of June 30, 2014

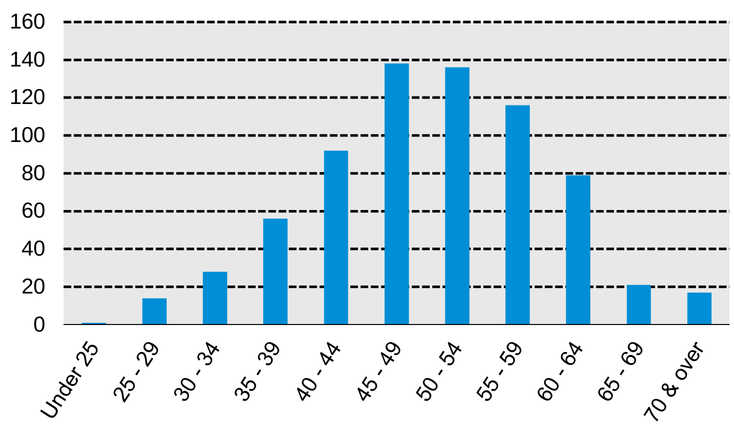
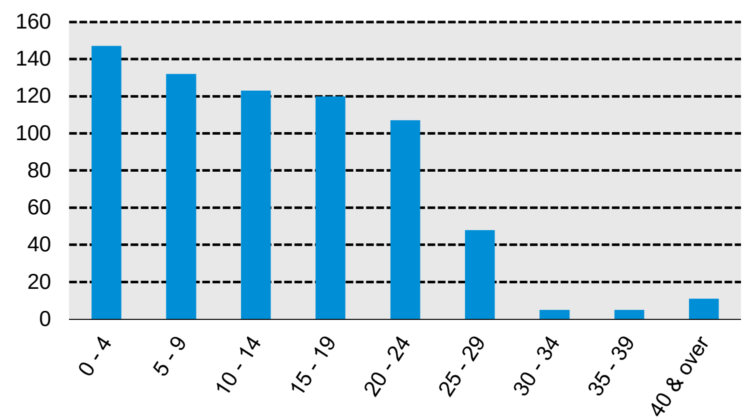


CHART 3

Distribution of Active Participants by Years of Service as of June 30, 2014



Retired Participants and Beneficiaries

As of June 30, 2014, 1,835 retired participants and 306 beneficiaries were receiving total monthly benefits of $4,555,757. For comparison, in the previous valuation, there were 1,851 retired participants and 314 beneficiaries receiving monthly benefits of $4,559,647.

These graphs show a distribution of the current retired participants and beneficiaries based on their monthly amount and age, by type of pension.

CHART 4

Distribution of Retired Participants and Beneficiaries by Type and by Monthly Amount as of June 30, 2014

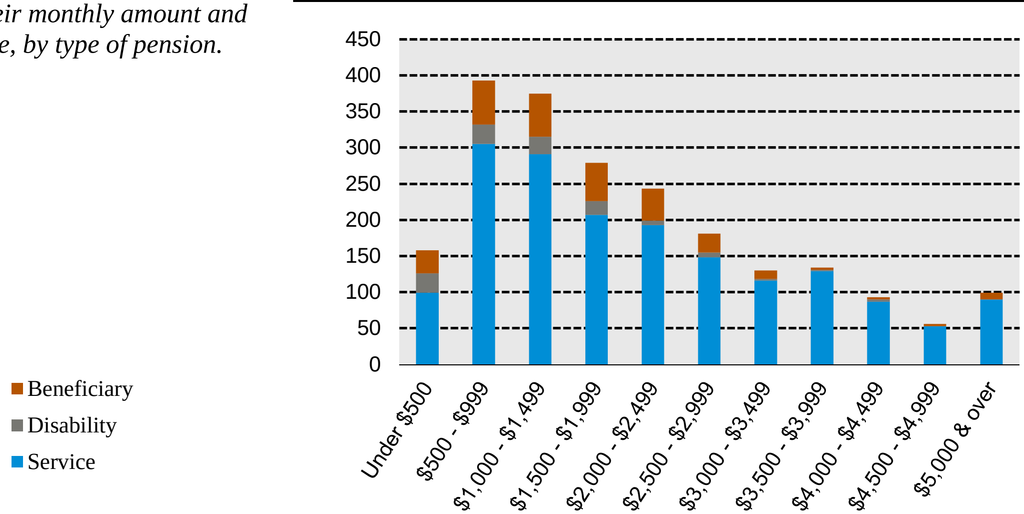
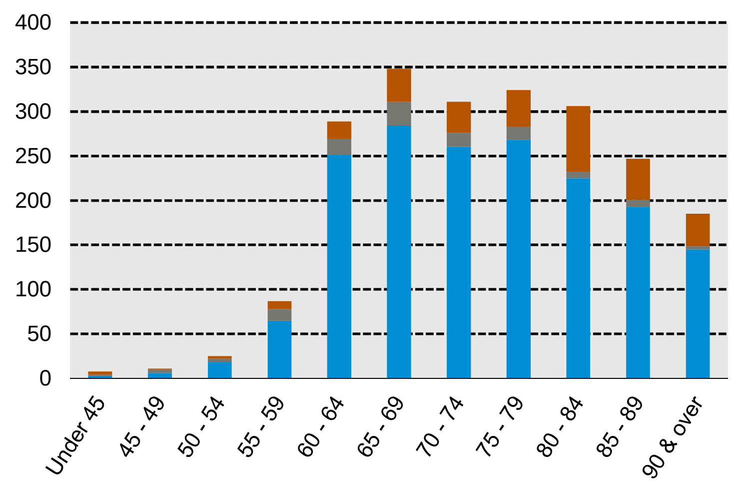


CHART 5

Distribution of Retired Participants and Beneficiaries by Type and by Age as of June 30, 2014



B. FINANCIAL INFORMATION

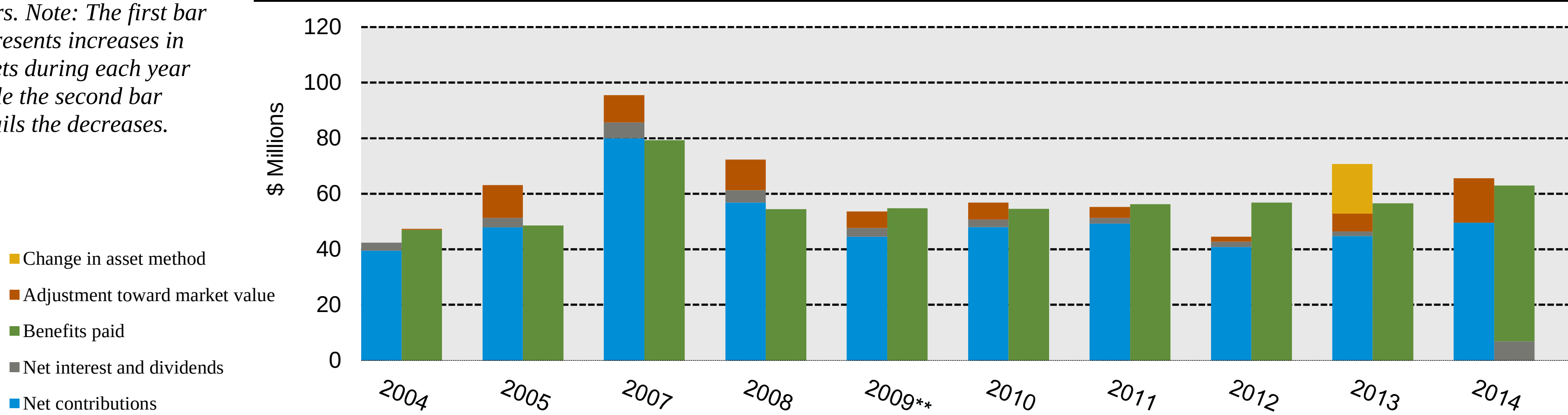
Retirement plan funding anticipates that, over the long term, both net contributions and net investment earnings (less investment fees and administrative expenses) will be needed to cover benefit payments.

Retirement plan assets change as a result of the net impact of these income and expense components. Additional financial information, including a summary of these transactions for the valuation year, is presented in
Section 3, Exhibits D, E and F.

The chart depicts the components of changes in the actuarial value of assets over the last ten years. Note: The first bar represents increases in assets during each year while the second bar details the decreases.

CHART 6

Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended December 31, 2004 – 2005 and June 30, 2007* – 2014



**The Plan Year was changed from January 1, to July 1, effective July 1, 2007.*
***Adjustment toward market value excludes asset corrections provided by the auditor.*

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable.

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

The actuarial value of assets was reset to equal the market value of assets as of July 1, 2013 with future gains and losses to be amortized on a straight-line basis over five years.

The chart shows the determination of the actuarial value of assets as of the valuation date.

CHART 7

Determination of Actuarial Value of Assets for Year Ended June 30, 2014

1. Market value of assets, June 30, 2014			$121,324,000
2. Calculation of unrecognized return	Original Amount*	Unrecognized Return**	
(a) Year ended June 30, 2014	$3,904,912	$3,123,930	
(b) Total unrecognized return			3,123,930
3. Preliminary actuarial value: (1) - (2b)			118,200,070
4. Adjustment to be within 20% corridor			0
5. Final actuarial value of assets as of June 30, 2014: (3) + (4)			$118,200,070
6. Actuarial value as a percentage of market value: (5) ÷ (1)			97.4%
7. Amount deferred for future recognition: (1) - (5)			$3,123,930

**Total return minus expected return on a market value*

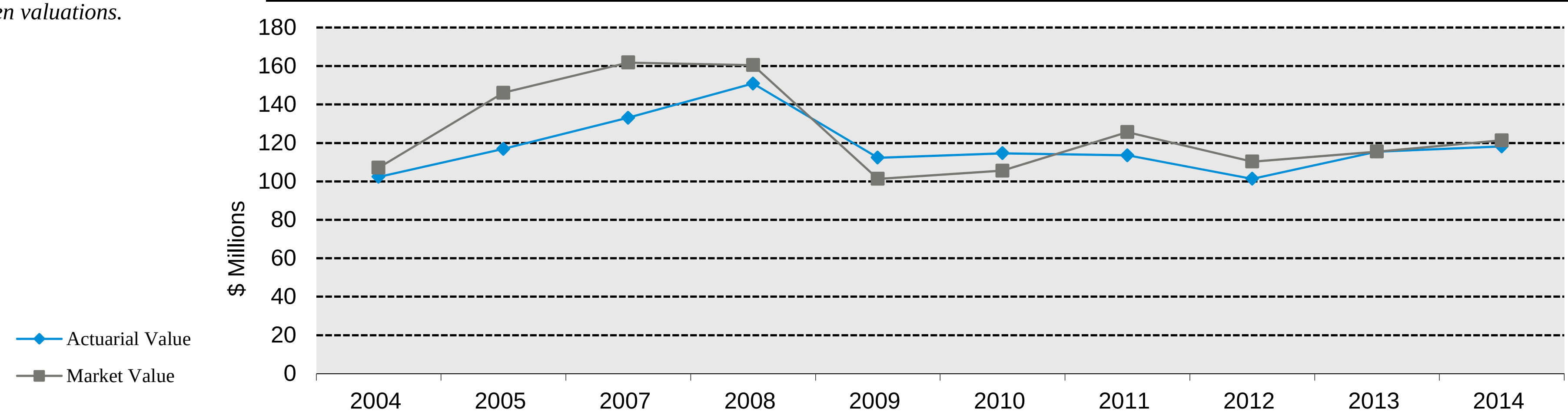
***Recognition at 20% per year over five years*

Both the actuarial value and market value of assets are representations of the Pension Fund's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial asset value is significant because the Pension Fund's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

This chart shows the change in the actuarial value of assets versus the market value over the past ten valuations.

CHART 8

Actuarial Value of Assets vs. Market Value of Assets as of December 31, 2004 – 2005 and June 30, 2007* – 2014



**The Plan Year was changed from January 1 to July 1, effective July 1, 2007.*

C. ACTUARIAL EXPERIENCE

To calculate the required contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the contribution requirement will decrease from the previous year. On the other hand, the contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

The total gain is $4,789,515, including a gain of $780,982 from investments and a gain of $4,008,533 from all other sources. The net experience variation from individual sources other than investments was 0.6% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

This chart provides a summary of the actuarial experience during the past year.

CHART 9

Actuarial Experience for Year Ended June 30, 2014

1.	Net gain from investments*	$780,982
2.	Net gain from other experience	4,008,533
3.	Net experience gain: (1) + (2)	$4,789,515

** Details in Chart 10*

Investment Rate of Return

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the School Board's investment policy. For valuation purposes, the assumed rate of return on the actuarial value of assets is 7.50%. The actual rate of return on an actuarial basis for the 2013-2014 plan year was 8.20%.

Since the actual return for the year was greater than the assumed return, the Pension Fund experienced an actuarial gain during the year ended June 30, 2014 with regard to its investments.

This chart shows the gain due to investment experience.

CHART 10

Actuarial Value Investment Experience for Year Ended June 30, 2014

1.	Actual return	$9,200,070
2.	Average value of assets	112,254,500
3.	Actual rate of return: (1) ÷ (2)	8.20%
4.	Assumed rate of return	7.50%
5.	Expected return: (2) x (4)	$8,419,088
6.	Actuarial gain: (1) – (5)	$780,982

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial basis compared to the market value investment return for the last ten years, including five-year and ten-year averages.

Based upon this experience and future expectations, we have maintained the assumed rate of return of 7.50%.

CHART 11

Investment Return – Actuarial Value vs. Market Value: December 31, 2004 – 2005 and June 30, 2007[1] – 2014

	Net Interest and Dividend Income		Recognition of Capital Appreciation		Change in Asset Method		Actuarial Value Investment Return		Market Value Investment Return	
Year Ended	**Amount**	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**
December 31:										
2004	$2,872,590	2.77%	-$401,709	-0.39%	- -	- -	$2,470,881	2.39%	$9,431,797	9.30%
2005	3,423,209	3.36	11,822,177	11.59	- -	- -	15,245,386	14.95	39,698,388	37.20
June 30:										
2007[2]	5,750,531	3.21	9,754,458	5.43	- -	- -	15,504,989	8.64	15,046,591	6.74
2008	4,469,000	3.33	11,036,186	8.22	- -	- -	15,505,186	11.55	-3,625,064	-2.22
2009	3,160,284	2.92	5,857,245	5.40	- -	- -	9,017,529	8.32	-11,589,873	-9.82
2010	2,706,286	2.48	6,166,042	5.66	- -	- -	8,872,328	8.14	10,809,475	11.03
2011	1,988,000	1.79	3,921,548	3.53	- -	- -	5,909,548	5.32	27,040,710	26.49
2012	1,894,000	1.80	1,808,336	1.71	- -	- -	3,702,336	3.51	624,000	0.53
2013[3]	1,739,000	1.82	6,486,349	6.80	$17,820,091	18.69%	8,225,349	8.62	17,035,000	16.32
2014	-6,823,000	-6.08	16,023,070	14.27	- -	- -	9,200,070	8.20	12,324,000	10.98
Total	$21,179,900		$72,473,702		$17,820,091		$93,653,602		$116,795,024	
							Five-year average return	6.73%		12.69%
							Ten-year average return	8.07%		9.37%

Note: Each year's yield is weighted by the average asset value in that year.

1 *The Plan Year was changed from January 1 to July 1, effective July 1, 2007.*

2. *The amounts for the year ended June 30, 2007 are for the 18-month period from January 1, 2006 through June 30, 2007. The percentages have been annualized.*

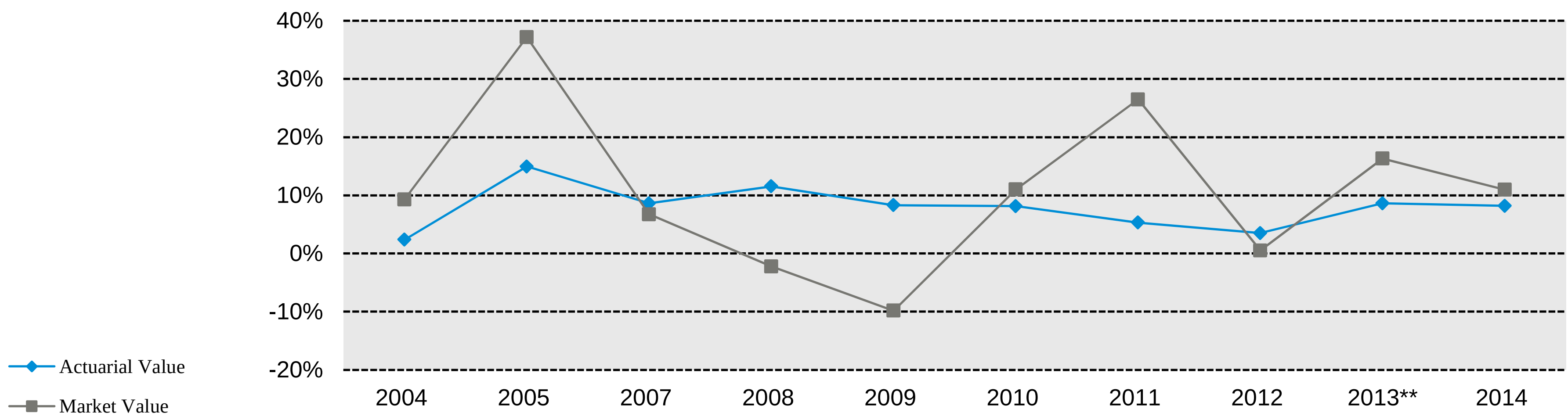
3. *Actuarial value investment return does not include impact of asset method change*

Subsection B described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this is to stabilize the actuarial rate of return, which contributes to leveling pension plan costs.

This chart illustrates how this leveling effect has actually worked over the years 2004 - 2014.

CHART 12

Market and Actuarial Rates of Return for Years Ended December 31, 2004 – 2005 and June 30, 2007* – 2014



**The Plan Year was changed from January 1 to July 1, effective July 1, 2007.*

***Actuarial value rate of return before method change.*

Other Experience
There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among the participants,
- retirement experience (earlier or later than expected),
- mortality (more or fewer deaths than expected),
- the number of disability retirements, and
- salary increases different than assumed.

The net gain from this other experience for the year ended June 30, 2014 amounted to $4,008,533, which is 0.6% of the actuarial accrued liability.

D. RECOMMENDED CONTRIBUTION

The recommended contribution as of July 1, 2014 (for FY 2016) is based on a funding policy that increases the FY 2014 contribution 3.0% annually until the Plan is fully funded. If the plan earns the assumed rate of return (7.50%), then it will be fully funded by about 2031.

The contribution requirements for FY 2016 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation. They include all changes affecting future costs, adopted benefit changes, actuarial gains and losses and changes in the actuarial assumptions.

The chart compares this valuation's recommended contribution with the prior valuation.

CHART 13

Recommended Contribution

	Fiscal Year Ending June 30	
	2016	**2015**
	Amount	**Amount**
1. Total normal cost	$3,477,451	$3,758,392
2. Expected employee contributions	-1,555,628	-1,688,423
3. Employer normal cost: (1) + (2)	$1,921,823	$2,069,969
4. Actuarial accrued liability	639,018,959	648,514,030
5. Actuarial value of assets	118,200,070	115,509,000
6. Unfunded actuarial accrued liability: (4) - (5)	$520,818,889	$533,005,030
7. Payment on projected unfunded actuarial accrued liability	45,272,426	43,719,689
8. Total recommended contribution: (3) + (7), adjusted for timing*	$48,932,039	$47,475,728
9. **Projected School Board contribution for next fiscal year**	**$50,400,000**	**$48,900,000**

**Recommended contributions are assumed to be paid at the middle of every year.*

Reconciliation of Recommended Contribution

The chart below details the changes in the recommended contribution from the prior valuation to the current year's valuation.

The chart reconciles the contribution from the prior valuation to the amount determined in this valuation.

CHART 14

Reconciliation of Recommended Contribution from Fiscal Year 2014 to 2015

Recommended Contribution for Fiscal Year 2015	$48,900,000
Effect of expected change in amortization payment due to 3% growth assumption	1,400,683
Effect of mandated 3% growth in total contributions	729,563
Effect of non-investment gain	-366,497
Effect of investment gain, net of administrative expenses	-71,405
Net effect of other changes	-192,344
Total change	$1,500,000
Recommended Contribution for Fiscal Year 2016	$50,400,000

E. INFORMATION REQUIRED BY THE GASB

This section provides historical information required by GASB Statements 25 and 27. This information has been replaced with information required under GASB Statement 67 and 68.

Governmental Accounting Standards Board (GASB) reporting information provides standardized information for comparative purposes of governmental pension plans. This information allows a reader of the financial statements to compare the funding status of one governmental plan to another on relatively equal terms.

Critical information to the GASB is the historical comparison of the GASB required contribution to the actual contributions. This comparison demonstrates whether a plan is being funded within the range of the GASB reporting requirements.

The other critical piece of information regarding the Plan's financial status is the funded ratio. This ratio compares the actuarial value of assets to the actuarial accrued liabilities of the Plan as calculated under the GASB Standards. High ratios indicate a well-funded plan with assets sufficient to cover the plan's actuarial accrued liabilities. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other factors.

The details regarding the calculations of these values and other GASB numbers may be found in Section 4, Exhibits II, III, and IV.

F. STATE MINIMUM REQUIREMENTS

Under Georgia minimum funding requirements, liability may be amortized as a percent of payroll, rather than a fixed dollar amount. In general, with fixed dollar amortization, actual experience close to the assumptions will result in a total contribution requirement (the normal cost plus the payment on the unfunded actuarial liability) that decreases over time as a percentage of payroll. With percentage of payroll amortization, given expected experience, the total contribution requirement should remain level as a percentage of payroll if the aggregate payroll increases as assumed.

The Board has adopted a policy for amortizing the unfunded actuarial liability, and the amortization period is 15 years for FY 2016. The contributions determined under this method continue to meet the Georgia minimum funding requirements by virtue of Georgia Code Section 47-20-10(b). Georgia Code Section 47-20-10(b) allows a plan to be in compliance if the sponsor makes contributions equal to the Annual Required Contribution (ARC) under Governmental Accounting Standards Board (GASB) Statement No. 25.

EXHIBIT A
Table of Plan Coverage

Category	Year Ended June 30 2014	Year Ended June 30 2013	Change From Prior Year
Active participants in valuation:			
Number	698	737	-5.3%
Average age	50.6	50.3	N/A
Average years of service	13.8	13.6	N/A
Projected total payroll	$20,072,615	$21,786,097	-7.9%
Projected average payroll	28,757	29,561	-2.7%
Account balances	17,574,911	17,948,856	-2.1%
Total active vested participants	585	620	-5.6%
Vested terminated participants	33	27	22.2%
Retired participants:			
Number in pay status	1,718	1,735	-1.0%
Average age	74.8	74.4	N/A
Average monthly benefit	$2,254	$2,256	-0.1%
Disabled participants:			
Number in pay status	117	116	0.9%
Average age	69.7	69.7	N/A
Average monthly benefit	$1,307	$1,281	2.0%
Beneficiaries in pay status:			
Number in pay status	306	314	-2.5%
Average age	77.7	78.4	N/A
Average monthly benefit	$1,731	$1,584	9.3%
Terminated participants with contributions remaining in the Plan	10	0	N/A

EXHIBIT B

Participants in Active Service as of June 30, 2014
By Age, Years of Service, and Average Payroll

		Years of Service								
Age	Total	0-4	5-9	10-14	15 - 19	20 - 24	25 – 29	30 - 34	35 - 39	40 & over
Under 25	1	1	- -	- -	- -	- -	- -	- -	- -	- -
	$8,623	$8,623	- -	- -	- -	- -	- -	- -	- -	- -
25 - 29	14	10	4	- -	- -	- -	- -	- -	- -	- -
	16,072	17,817	$11,709	- -	- -	- -	- -	- -	- -	- -
30 - 34	28	12	13	3	- -	- -	- -	- -	- -	- -
	22,007	22,475	20,993	$24,530	- -	- -	- -	- -	- -	- -
35 - 39	56	21	24	6	5	- -	- -	- -	- -	- -
	24,276	22,098	22,416	34,392	$30,214	- -	- -	- -	- -	- -
40 - 44	92	27	23	20	19	3	- -	- -	- -	- -
	26,425	29,334	25,309	22,423	26,945	$32,175	- -	- -	- -	- -
45 - 49	138	21	27	22	22	34	12	- -	- -	- -
	31,514	25,500	33,800	26,120	24,551	36,254	$46,120	- -	- -	- -
50 - 54	136	24	13	31	33	21	13	1	- -	- -
	29,503	28,279	24,977	23,995	28,484	30,792	48,636	$46,311	- -	- -
55 - 59	116	14	13	17	24	26	16	3	2	1
	30,173	23,729	23,145	24,142	29,000	33,828	40,304	36,706	$35,619	$54,758
60 - 64	79	12	11	15	10	19	7	1	1	3
	29,105	25,326	19,818	22,752	27,312	36,035	30,070	35,635	33,369	66,272
65 - 69	21	4	2	5	5	2	- -	- -	2	1
	29,920	30,429	33,831	24,059	25,198	35,254	- -	- -	35,236	51,677
70 & over	17	1	2	4	2	2	- -	- -	- -	6
	37,842	12,853	11,864	14,543	19,665	19,304	- -	- -	- -	78,437
Total	698	147	132	123	120	107	48	5	5	11
	$28,757	$25,153	$24,904	$24,203	$27,313	$34,104	$42,522	$38,413	$35,015	$70,534

EXHIBIT C

Reconciliation of Participant Data

	Active Participants	Vested Former Participants	Disableds	Retired Participants	Beneficiaries	Total
Number as of July 1, 2013	737	27	116	1,735	314	2,929
New participants[2]	38	N/A	N/A	N/A	N/A	38
Terminations – with vested rights	-9	9	0	0	0	0
Terminations – without vested rights	0	N/A	N/A	N/A	N/A	0
Retirements	-33	0	N/A	33	N/A	0
New disabilities	-6	0	6	N/A	N/A	0
Return to work	1	-1	0	0	N/A	0
Died	-2	0	-3	-52	-27	-84
New beneficiaries	0	0	0	0	19	19
Lump sum payoffs	-28	0	0	-1	0	-29
Rehire	0	0	N/A	0	N/A	0
Certain period expired	N/A	N/A	0	0	0	0
Data adjustments[3]	0	-2	-2	3	0	-1
Number as of July 1, 2014	698	33	117	1,718	306	2,872

1. *Excludes terminated participants with contributions remaining the Plan.*
2. *8 of the 38 new active participants included in the data for the first time this year have over 1 year of credited service.*
3. *The following data adjustments were made per the TPA:*
   2 annuitants identified as disabled retirees last year were changed to healthy retirees this year.
   1 healthy retiree was included for the first time with this valuation.
   2 terminated vested participants were verified as non-participants and therefore removed from the data this year.

EXHIBIT D

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended June 30, 2014		Year Ended June 30, 2013	
Net assets at actuarial value at the beginning of the year		$115,509,000		$101,272,560
Contribution income:				
Employer contributions	$48,000,000		$43,013,000	
Employee contributions	1,554,000		1,689,000	
Net contribution income		49,554,000		44,702,000
Investment income:				
Interest, dividends and other income	$1,933,000		$2,186,000	
Recognition of capital appreciation	16,023,070		6,486,349	
Less investment and administrative fees	-8,756,000		-447,000	
Net investment income		9,200,070		8,225,349
Total income available for benefits		$58,754,070		$52,927,349
Less benefit payments		-$56,063,000		-$56,511,000
Change in actuarial asset method		$0		$17,820,091
Change in reserve for future benefits		$2,691,070		$14,236,440
Net assets at actuarial value at the end of the year		$118,200,070		$115,509,000

EXHIBIT E

Summary Statement of Income and Expenses on a Market Value Basis

	Year Ended June 30, 2014		Year Ended June 30, 2013	
Net assets at market value at the beginning of the year		$115,509,000		$110,283,000
Contribution income:				
Employer contributions	$48,000,000		$43,013,000	
Employee contributions	1,554,000		1,689,000	
Net contribution income		49,554,000		44,702,000
Investment income:				
Interest, dividends and other income	$1,933,000		$2,186,000	
Asset appreciation	19,147,000		15,296,000	
Less investment and administrative fees	-8,756,000		-447,000	
Net investment income		12,324,000		17,035,000
Total income available for benefits		$61,878,000		$61,737,000
Less benefit payments:		-$56,063,000		-$56,511,000
Change in reserve for future benefits		$5,815,000		$5,226,000
Net assets at market value at the end of the year		$121,324,000		$115,509,000

EXHIBIT F

Development of the Fund Through June 30, 2014

Year Ended	Employer Contributions	Employee Contributions	Asset Method Change	Net Investment Return[1]	Benefit Payments	Actuarial Value of Assets at End of Year
December 31:						
2004	$36,321,730	$3,176,869	- -	$2,470,881	$46,991,511	$102,301,954
2005	45,125,221	2,763,397	- -	15,245,386	48,569,891	116,866,067
June 30:						
2007[2]	72,590,781	7,363,073	- -	15,504,989	79,266,669	133,058,241
2008	54,575,423	2,214,902	- -	15,505,186	54,477,647	150,876,105[3]
2009	42,005,043	2,544,188	- -	-28,389,790	54,740,338	112,295,208
2010	45,500,000	2,478,458	- -	8,872,328	54,530,318	114,615,676
2011	39,000,000[4]	1,971,000	- -	14,242,548[5]	56,276,000	113,553,224
2012	39,000,000	1,841,000	- -	3,702,336	56,824,000	101,272,560
2013	43,013,000	1,689,000	$17,820,091	8,225,349	56,511,000	115,509,000
2014	48,000,000	1,554,000	- -	9,200,070	56,063,000	118,200,070

[1] *Net of investment fees and administrative expenses and includes -$37,407,319 asset correction in 2009.*
[2] *The Plan Year was changed from January 1 to July 1, effective July 1, 2007. Therefore, the amounts as of June 30, 2007 represent the 18-month period from January 1, 2006 through June 30, 2007.*
[3] *Before Banks, Finley, White & Co. correction of $37,407,319.*
[4] *Changed from $47,333,000 per School Board*
[5] *Adjusted due to contribution change*

EXHIBIT G

Development of Unfunded Actuarial Accrued Liability for Year Ended June 30, 2014

1. Unfunded actuarial accrued liability at beginning of year		$533,005,030
2. Normal cost at beginning of year		3,758,392
3. Total contributions		-49,554,000
4. Interest		
(a) For whole year on (1) + (2)	$40,257,257	
(b) For half year on (3)	-1,858,275	
(c) Total interest		38,398,982
5. Expected unfunded actuarial accrued liability		$525,608,404
6. Changes due to experience gain		-4,789,515
7. Unfunded actuarial accrued liability at end of year		$520,818,889

EXHIBIT H

Supplementary Information - Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is shown below as of July 1, 2014 and as of July 1, 2013.

	Benefit Information Date	
	July 1, 2014	**July 1, 2013**
Actuarial present value of vested accumulated plan benefits:		
Participants currently receiving payments	$546,007,207	$552,024,987
Other vested benefits	57,957,278	59,434,255
Total vested benefits (PVVB)	$603,964,485	$611,459,242
Actuarial present value of non-vested accumulated plan benefits	3,583,898	3,145,425
Total actuarial present value of accumulated plan benefits (PVAB)	$607,548,383	$614,604,667
Actuarial Value of Assets (AVA)	$118,200,070	$115,509,000
Market Value of Assets (MVA)	121,324,000	115,509,000
Funded Ratios (PVVB):		
AVA as a percentage of present value of vested accumulated benefits	19.6%	18.9%
MVA as a percentage of present value of vested accumulated benefits	20.1%	18.9%
Funded Ratios: (PVAB):		
AVA as a percentage of present value of accumulated benefits	19.5%	18.8%
MVA as a percentage of present value of accumulated benefits	20.0%	18.8%

Note: The amounts stated as vested benefits include employee contribution accounts, which are considered 100% vested.

EXHIBIT H (continued)

Supplementary Information - Actuarial Present Value of Accumulated Plan Benefits

The factors that affected the change in the actuarial present value of accumulated plan benefits from the preceding to the current benefit information date are as follows:

Factors	Change in Actuarial Present Value of Accumulated Plan Benefits
Benefits accumulated, net experience gain or loss, changes in data	$5,013,728
Benefits paid	-56,063,000
Interest	43,992,988
Total	-$7,056,284

EXHIBIT H (continued)

Supplementary Information – Balance Sheet as of July 1, 2014

Present Value of Benefits	
1) Present value of retired employees' benefits*	$546,007,207
2) Present value of terminated vested benefits	1,536,756
3) Present value of active employees' benefits	116,165,027
Total Present Value of Benefits	$663,708,990
Assets (current and future)	
1) Assets on hand (Actuarial Value)	$118,200,070
2) Present value of future employee contributions	10,996,909
3) Present value of future employer contributions	$534,512,011
Total Assets	$663,708,990

**Includes 1,835 retired members with an average monthly benefit of $2,194 and 306 beneficiaries of deceased members with an average monthly benefit of $1,731.*

EXHIBIT I

Asset Allocation as of June 30, 2014

		General Employees	School Board	Total
1.	**Market value of assets as of July 1, 2013**	**$1,014,429,000**	**$115,509,000**	**$1,129,938,000**
2.	Employer contributions	42,145,000	48,000,000	90,145,000
3.	Employee contributions	17,366,000	1,554,000	18,920,000
4.	Total contributions: (2) + (3)	$59,511,000	$49,554,000	$109,065,000
5.	Benefit payments and refunds	-$108,175,000	-$56,063,000	-$164,238,000
6.	Administrative expenses	-1,483,000	-8,333,000	9,816,000
7.	Total benefits payment and expenses: (5) + (6)	-$109,658,000	-$64,396,000	-$174,054,000
8.	Net cash flow: (4) + (7)	-$50,147,000	-$14,842,000	-$64,989,000
9.	Average invested assets: (1) + [.5 x (8)]	989,356,000	108,088,000	1,097,444,000
10.	Net investment return: allocated on (9)	189,082,000	20,657,000	209,739,000
11.	**Market value of assets as of July 1, 2014: (1) + (8) + (10)**	**$1,153,364,000**	**$121,324,000**	**$1,274,688,000**

EXHIBIT J
Definitions of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Assumptions or Actuarial Assumptions: The estimates on which the cost of the Plan is calculated including:

(a) Investment return — the rate of investment yield that the Plan will earn over the long-term future;

(b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;

(c) Retirement rates — the rate or probability of retirement at a given age;

(d) Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

Normal Cost: The amount of contributions required to fund the benefit allocated to the current year of service.

Actuarial Accrued Liability For Actives: The value of all projected benefit payments for current members less the portion that will be paid by future normal costs.

Actuarial Accrued Liability For Pensioners: The single-sum value of lifetime benefits to existing pensioners. This sum takes account of life expectancies appropriate to the ages of the pensioners and the interest that the sum is expected to earn before it is entirely paid out in benefits.

Unfunded Actuarial Accrued Liability: The extent to which the actuarial accrued liability of the Plan exceeds the assets of the Plan. There is a wide range of approaches to paying off the unfunded actuarial accrued liability, from meeting the interest accrual only to amortizing it over a specific period of time.

Amortization of the Unfunded Actuarial Accrued Liability:	Payments made over a period of years equal in value to the Plan's unfunded actuarial accrued liability.
Investment Return:	The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.

EXHIBIT I

Summary of Actuarial Valuation Results

The valuation was made with respect to the following data supplied to us:

1.	Retired participants as of the valuation date (including 306 beneficiaries in pay status)		2,141
2.	Participants inactive during year ended June 30, 2014 with vested rights		33
3.	Participants active during the year ended June 30, 2014		698
	Fully vested	460	
	Partially vested	125	
	Not vested	113	
4.	Terminated participants with contributions remaining in the plan		10

The actuarial factors as of the valuation date are as follows:

1.	Total normal cost		$3,477,451
2.	Actuarial accrued liability		639,018,959
	Retired participants and beneficiaries	$546,007,207	
	Inactive participants with vested rights*	1,536,756	
	Active participants	91,474,996	
3.	Actuarial value of assets ($121,324,000 at market value)		118,200,070
4.	Unfunded actuarial accrued liability		$520,818,889

**Includes terminated participants with contributions remaining in the Plan.*

EXHIBIT I (continued)

Summary of Actuarial Valuation Results

The determination of the recommended contribution is as follows:

1.	Total normal cost	$3,477,451
2.	Expected employee contributions	-1,555,628
3.	Employer normal cost: (1) + (2)	$1,921,823
4.	Payment on projected unfunded actuarial accrued liability	45,272,426
5.	Total recommended contribution: (3) + (4), adjusted for timing	$48,932,039
6.	Projected employer contribution for FY 2016	$50,400,000

EXHIBIT II

Schedule of City Contributions

Plan Year Ended June 30	Actuarially Determined Contributions	Actual Contributions	Percentage Contributed
2009	$39,599,627	42,005,043	100.0%
2010	43,584,939	45,500,000	100.0%
2011	37,216,555	39,000,000[1]	100.0%
2012	38,830,014	39,000,000	100.0%
2013	43,679,004	43,013,000	98.5%
2014	45,789,797	48,000,000	100.0%
2015	47,194,249	48,900,000[2]	100.0%

[1] *Changed from $47,333,000 per School Board*

[2] *Unaudited amount for Plan Year ending June 30, 2015 as provided by the School Board.*

EXHIBIT III

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll* [(b) - (a)] / (c)
01/01/2005	$102,301,954	$580,470,790	$478,168,836	17.62%	$40,366,756	1,184.56%
01/01/2006	116,866,067	600,055,443	483,189,376	19.48%	26,185,568	1,845.25%
07/01/2007	133,058,241	643,301,615	510,243,374	20.68%	29,105,414	1,753.09%
07/01/2008	150,876,105	655,110,071	504,233,966	23.03%	28,272,933	1,783.45%
07/01/2009	112,295,208	644,788,188	532,492,980	17.42%	29,404,892	1,810.90%
07/01/2010	114,615,676	669,032,859	554,417,183	17.13%	26,304,364	2,107.70%
07/01/2011	113,553,224	646,444,083	532,890,859	17.57%	24,562,775	2,169.51%
07/01/2012	101,272,560	633,671,785	532,399,225	15.98%	22,914,238	2,323.44%
07/01/2013	115,509,000	648,514,030	533,005,030	17.81%	21,786,097	2,446.54%
07/01/2014	118,200,070	639,018,959	520,818,889	18.50%	20,072,615	2,594.67%

**Not less than zero*

EXHIBIT IV

Supplementary Information Required by the GASB

Valuation date	July 1, 2014
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent using 3% annual increases
Remaining amortization period	15 years remaining as of July 1, 2014
Asset valuation method	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	3.50% (plus age related salary scale)
Cost of living adjustments	3.00%
Plan membership:	
Retired participants and beneficiaries receiving benefits	2,141
Terminated participants entitled to, but not yet receiving benefits*	43
Active participants	698
Total	2,882

**Includes ten terminated participants with contributions remaining in the Plan*

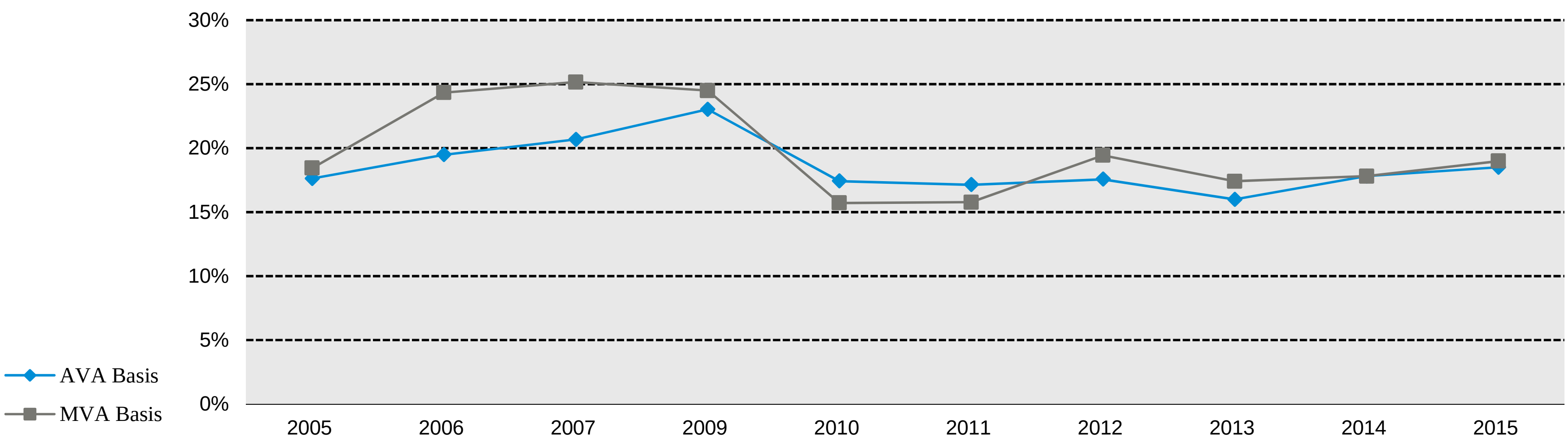
EXHIBIT V

Funded Ratio

A critical piece of information regarding the Plan's financial status is the funded ratio. This ratio compares the actuarial value of assets to the actuarial accrued liabilities of the Plan as calculated. High ratios indicate a well-funded plan with assets sufficient to cover the plan's actuarial accrued liabilities. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other factors.

The chart below depicts a history of the funded ratios for this plan.

Funded Ratio History for Plan Years Ended December 31, 2005 and June 30, 2007* – 2015



Note: Funded ratio is as of the beginning of the Plan Year.

**The Plan Year was changed from January 1 to July 1, effective July 1, 2007.*

EXHIBIT VI

Development of the Net Pension Obligation (NPO) and the Annual Pension Cost

Plan Year Ended June 30	Employer Annual Required Contribution (a)	Employer Amount Contributed[1] (b)	Interest on NPO (h) x 7.50%[2] (c)	ARC Adjustment (h) / (e) (d)	Amortization Factor[3] (e)	Pension Cost (a) + (c) – (d) (f)	Change in NPO (f) – (b) (g)	NPO Balance NPO + (g) (h)
2006	$44,827,011	$39,015,662	$493,111	- -	- -	$45,320,122	$6,304,460	$12,468,341
2007	46,116,267	49,265,265	997,467	- -	- -	47,113,734	-2,151,531	10,316,810
2008	38,582,186	54,567,288	825,345	- -	- -	39,407,531	-15,159,757	-4,842,947
2009	39,599,627	42,005,043	-387,436	-$358,206	13.52	39,570,397	-2,434,646	-7,277,593
2010	43,584,939	45,500,000	-582,208	-562,411	12.94	43,565,143	-1,934,857	-9,212,450
2011	37,216,555	39,000,000	-736,996	-579,035	15.91	37,058,594	-1,941,406	-11,153,856
2012	38,830,014	39,000,000	-892,308	-776,731	14.36	38,714,437	-285,563	-11,439,419
2013	43,679,004	43,013,000	-915,154	-905,017	12.64	43,668,867	655,867	-10,783,552
2014	45,789,797	48,000,000	-808,766	-855,159	12.61	45,836,190	-2,163,810	-12,947,362
2015	47,194,249	48,900,000[4]	-971,052	-1,090,763	11.87	47,313,960	-1,586,040	-14,533,402

[1] *Amounts prior to 2009 provided by Atlanta Public School Board Management; development of NPO prior to 2009 does not include ARC adjustment.*
[2] *Prior to 2014, interest was 8.00%.*
[3] *Based on a closed, level percent of payroll amortization.*
[4] *The unaudited amount indicated for June 30, 2015 as provided by the School Board.*

EXHIBIT VII

Actuarial Assumptions and Actuarial Cost Method

Mortality Rates:

Healthy: RP-2000 Combined Healthy Mortality Table with sex-distinct rates

Disabled: RP-2000 Disabled Retiree Mortality Table with sex-distinct rates, set back one year for males only

The healthy and disabled mortality tables were determined to contain provision appropriate to reasonably reflect future mortality improvement, based on a review of mortality experience for the period 2003-2011. The mortality assumptions will be assessed again at the time of the next review, and further adjustment or expected improvements in life expectancy will be made if warranted.

Mortality and Disability Rates before Retirement:

Rate (%)

	Healthy Mortality		Ordinary Disability*		Withdrawal**
Age	Male	Female	Male	Female	
20	0.03	0.02	0.02	0.03	18.00
25	0.04	0.02	0.03	0.04	18.00
30	0.04	0.03	0.04	0.07	12.00
35	0.08	0.05	0.05	0.12	10.00
40	0.11	0.07	0.07	0.17	8.50
45	0.15	0.11	0.12	0.26	8.00
50	0.21	0.17	0.20	0.41	0.00
55	0.36	0.27	0.34	0.69	0.00
60	0.67	0.51	0.51	0.84	0.00

* Occupational disability rates are 10% of the ordinary disability rates.

** Withdrawal rates cutout at age 50.

Retirement Rates:

Less than 30 Years of Service		30 or more Years of Service	
Age	**Rate**	**Age**	**Rate**
50-52	2.0%	50-51	15.0%
53-54	3.0	52-53	20.0
55-59	5.0	54	25.0
60	20.0	55-59	30.0
61-64	13.0	60	50.0
65-67	20.0	61-64	23.0
68-69	10.0	65	50.0
70	100.0	65-69	30.0
		70	100.0

Retirement Age for Inactive Vested Participants: 65

Unknown Data for Participants: Participants that terminate with less than five years of service are assumed non-vested unless told otherwise.

Percent Married: 75%

Age of Spouse: Females are assumed to be 3 years younger than their spouses.

Net Investment Return: 7.50%; the investment return rate is assumed to be net of investment and administrative expenses.

Salary Increases:

Age	Rate (%)
Under 30	9.75
30-43	7.75
44	8.00
45	6.50
46-59	6.25
60 & over	4.00

Above rates include 2.75% inflation and 0.75% productivity.

Vacation Pay Adjustment: Retirement benefits are increased by 4.00% to reflect vacation pay.

Cost-of-Living Adjustment: 3.00%, compounded annually.

Actuarial Value of Assets: Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.

The actuarial value of assets was reset to the market value of assets as of July 1, 2013.

Actuarial Cost Method: Entry Age Normal Actuarial Cost Method. Entry Age is the age at the date of hire.

Changes in Assumptions: There have been no changes in actuarial assumptions since the last valuation.

EXHIBIT VIII

Summary of Plan Provisions

This exhibit summarizes the major provisions of the Employees of the Atlanta Board of Education included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year:	July 1 through June 30
Normal Pension:	
Eligibility	A participant may retire at (a) age 65, or (b) age 60 after completing 15 years of service.
Monthly Amount	2.5% of average monthly salary for each year of credited service. This amount cannot be less than $17 per month for each year of service, and is capped at 80% of average monthly salary. Average monthly salary is defined as the highest average monthly base compensation over any 36-month period.
Normal Form of Payment	75% joint and survivor annuity (no reduction in benefit for providing survivor coverage)
Early Pension:	
Service Requirement	5 years credited service
Monthly Amount	Normal pension monthly amount reduced by 1/2 of 1% per month for the first 60 months and by 1/4 of 1% per month for the remaining months by which age at retirement is less than 60. More favorable early retirement adjustments may apply to participants in prior plans. Unreduced early retirement is available with 30 years of credited service.

Disability:

Service Requirement	5 years credited service for non-job-related disability. None for job-related disability.
Monthly Amount	Normal pension based on service accrued and final average salary at disability, payable immediately; cannot be less than 50% of average monthly salary. This amount is payable until attainment of normal retirement age at which time the benefit is recalculated to value years while disabled as years of service.

Vesting Schedule:

An employee who terminates employment may receive a percentage of his accrued benefit payable at age 60 as determined below:

Completed Years of Service	Percentage Vested*
Less than 5	0%
5	25
6	30
7	35
8	40
9	45
10 or more	100

* A participant is always 100% vested in his/her contributions to the Plan.

Termination:

A participant terminating employment may elect a refund of his own contributions with interest. A refund will cause the forfeiture of any other vested accrued benefit from the Plan.

Death Benefits:	If a participant dies prior to his attainment of eligibility for retirement, a lump sum of his own contributions with interest is payable to his beneficiary or estate. If an active participant who is eligible to retire, or a retired participant, dies, 75% of the accrued pension benefit is payable to the beneficiary. Eligible beneficiaries are the spouse or unmarried children under 18. If the spouse is more than five years younger than the participant, the amount payable is reduced by 2% per year by which the spouse is younger.
Credited Service:	Service is credited for employment as an employee of the Atlanta Board of Education or as a general employee of the City of Atlanta. Additional credit is granted for accumulated sick leave and for other prior service as specified in the plan.
Participation:	All employees of the Atlanta Board of Education who are not covered by the Georgia Teachers' Retirement System.

Employee Contributions:

Employee	% of Base Salary
Unmarried employees without dependents	7%
Unmarried employees with dependent minor children	8%
Married employees	8%

Employee contributions earn 5% interest each year.

Cost-of-Living Provision:	Benefits are adjusted annually on January 1 of each year based on the change in the Consumer Price Index from November 1 through October 31 of the preceding year. Such annual adjustment cannot exceed 3%.
Changes in Plan Provisions:	There have been no changes in plan provisions since the last valuation.

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