

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

Actuarial Valuation and Review as of
July 1, 2015





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May 25, 2016

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, 2015. It summarizes the actuarial data used in the valuation, establishes the funding requirements for fiscal 2017 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 the 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.

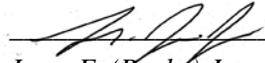
We hereby certify that the City of Atlanta General Employees' Pension Fund for the Employees of the Atlanta Board of Education has been funded in conformity with the minimum funding standards specified in Code Section 47-20-10 of the Official Code of Georgia Annotated known as the Public Retirement Systems Standards Law. This certification covers the 2015 fiscal year of the Plan.

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

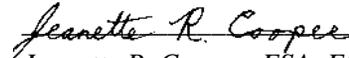
Sincerely,

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

By:



Leon F. (Rocky) Joyner, Jr., ASA, FCA, MAAA, EA
Vice President and Consulting Actuary



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

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SECTION 1: Valuation Summary for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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, 2015. 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, 2015, provided by the GEMGroup;
- The assets of the Plan as of June 30, 2015, 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.

The assumptions and methods used to value the Plan were approved by the Board of Trustees based on a 7½ -year experience study for the period ended June 30, 2011.

Significant Issues in Valuation Year

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

1. The July 1, 2015 valuation is used to determine the recommended contribution for the fiscal period July 1, 2016 to June 30, 2017 (FY '17). The recommended contribution is adjusted for interest to the middle of the fiscal year and satisfies the minimum funding standards under Georgia law by virtue of Code Section 47-20-10.
2. The Plan 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.

SECTION 1: Valuation Summary for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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 14.1 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 19 years.
5. The School Board's recommended contribution for FY '17 is \$51.9 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 3% growth assumption in the underlying amortization factor and the mandated overall 3% increase (*see Section 2, Chart 14 for details*).
6. The plan's Unfunded Actuarial Accrued Liability (UAAL) decreased by about \$20.1 million from approximately \$517.0 million to about \$496.8 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 \$9.4 million due to the contributions being greater than the normal cost and interest on the UAAL. The UAAL decreased about \$2.4 million due to investment performance better than assumed and about \$8.3 million due to non-investment gains.
7. The funded ratio for this plan, based on the actuarial value of assets, increased about 1.5% from 18.8% as of July 1, 2014 to 20.3% as of July 1, 2015. On a market value basis, the funded percentage has increased about 0.7% from 20.3% to 21.0% 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 4.91% over the period July 1, 2014 through June 30, 2015. 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 9.58% on an annualized basis, compared with the valuation assumption of 7.50%, generating an investment gain of about \$2.4 million.
9. The actuarial valuation report as of July 1, 2015 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.

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10. As indicated in Section 2, Subsection B of this report, the total unrecognized investment gain as of June 30, 2015 is \$4.5 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.
11. 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 provides this information under separate cover.
12. There have been no changes in actuarial assumptions, methods, or plan provisions since the last valuation.

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Summary of Key Valuation Results

Fiscal Year	2016	2015
Contributions for Fiscal Year beginning July 1:		
1. Total normal cost	\$4,295,481	\$4,005,639
2. Expected employee contributions	1,672,880	1,555,628
3. Payment to amortize unfunded liability	<u>45,976,239</u>	<u>44,744,238</u>
4. Total required School Board annual contributions for the fiscal year: (1) - (2) + (3) ¹	\$51,900,000	\$50,400,000
Plan Year	2015	2014
Funding elements for plan year beginning July 1:		
5. Actuarial value of assets	\$126,601,083	\$119,806,270
6. Market value of assets	131,133,000	129,355,000
7. Actuarial accrued liability	623,424,181	636,774,641
8. Unfunded actuarial accrued liability: (7) - (5)	496,823,098	516,968,371
9. Funded ratio - actuarial basis: (5) / (7)	20.3%	18.8%
10. Funded ratio - market basis: (6) / (7)	21.0%	20.3%
11. Effective amortization period (based on 3.0% above prior year's cost)	14.1	15.5
Demographic data for plan year beginning July 1:		
12. Number of retired participants and beneficiaries	2,094	2,141
13. Number of terminated vested participants ²	81	43
14. Number of active participants	799	698
15. Total payroll	\$21,585,554	\$20,072,615
16. Average payroll	27,016	28,757

¹Adjusted for timing.

²Includes 46 and ten terminated participants with contributions remaining in the Plan as of July 1, 2015 and July 1, 2014, respectively.

SECTION 1: Valuation Summary for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

Important Information About Actuarial Valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal Consulting (“Segal”) relies on a number of input items. These include:

- **Plan of benefits** Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
- **Participant data** An actuarial valuation for a plan is based on data provided to the actuary by the GEMGroup. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
- **Assets** The valuation is based on the market value of assets as of the valuation date, as provided by KPMG, LLP which uses an “actuarial value of assets” that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
- **Actuarial assumptions** In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan’s assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results, that does not mean that the previous assumptions were unreasonable.

SECTION 1: Valuation Summary for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Board. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement of the plan's assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
- If the Board is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.

As Segal Consulting has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

SECTION 2: Valuation Results for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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: 2005 – 2015**

Year Ended	Active Participants*	Vested Terminated Participants**	Retired Participants and Beneficiaries	Ratio of Non-Actives to Actives
<u>December 31:</u>				
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
<u>June 30:</u>				
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
2015	799	35	2,094	2.66

*Excludes participants receiving Workers' Compensation benefits.

**Excludes terminated participants due a refund of employee contributions.

SECTION 2: Valuation Results for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

Active Participants

Plan costs are affected by the age, years of service and payroll of active participants. In this year's valuation, there were 799 active participants with an average age of 49.4, average years of service of 11.8 years and average payroll of \$27,016. The 698 active participants in the prior valuation had an average age of 50.6, average service of 13.8 years and average payroll of \$28,757.

Inactive Participants

In this year's valuation, there were 35 participants with a vested right to a deferred or immediate vested benefit.

In addition, there were 46 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, 2015

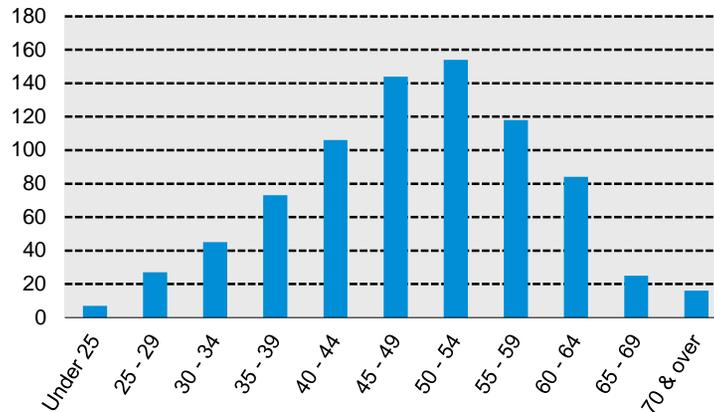
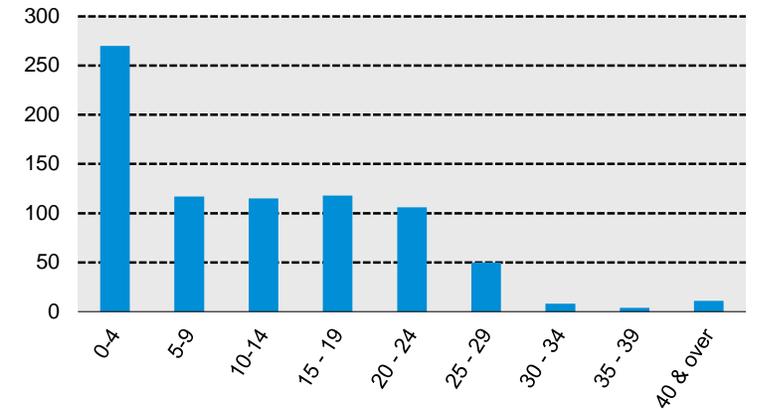


CHART 3
Distribution of Active Participants by Years of Service as of June 30, 2015



SECTION 2: Valuation Results for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

Retired Participants and Beneficiaries

As of June 30, 2015, 1,791 retired participants and 303 beneficiaries were receiving total monthly benefits of \$4,499,386. For comparison, in the previous valuation, there were 1,835 retired participants and 306 beneficiaries receiving monthly benefits of \$4,555,757.

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

- Beneficiary
- Disability
- Service

CHART 4
Distribution of Retired Participants and Beneficiaries by Type and by Monthly Amount as of June 30, 2015

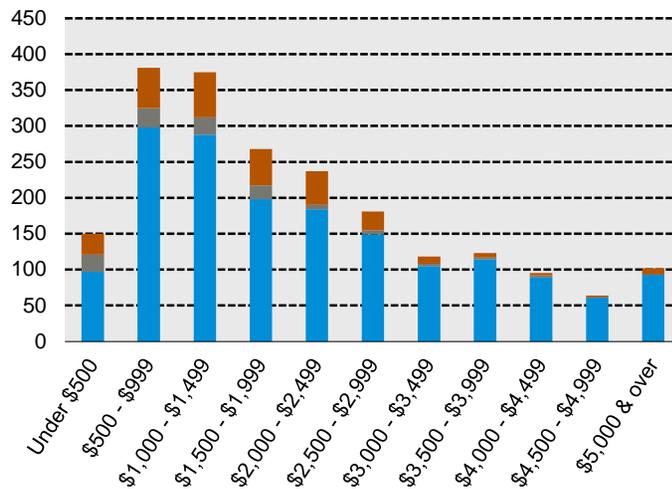
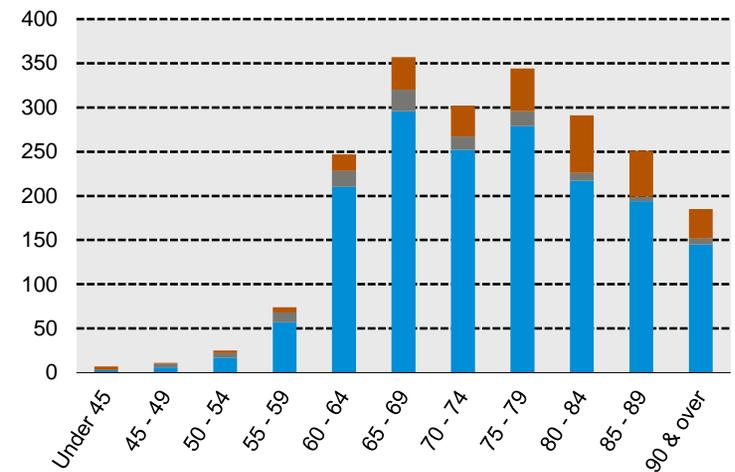


CHART 5
Distribution of Retired Participants and Beneficiaries by Type and by Age as of June 30, 2015



SECTION 2: Valuation Results for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

B. FINANCIAL INFORMATION

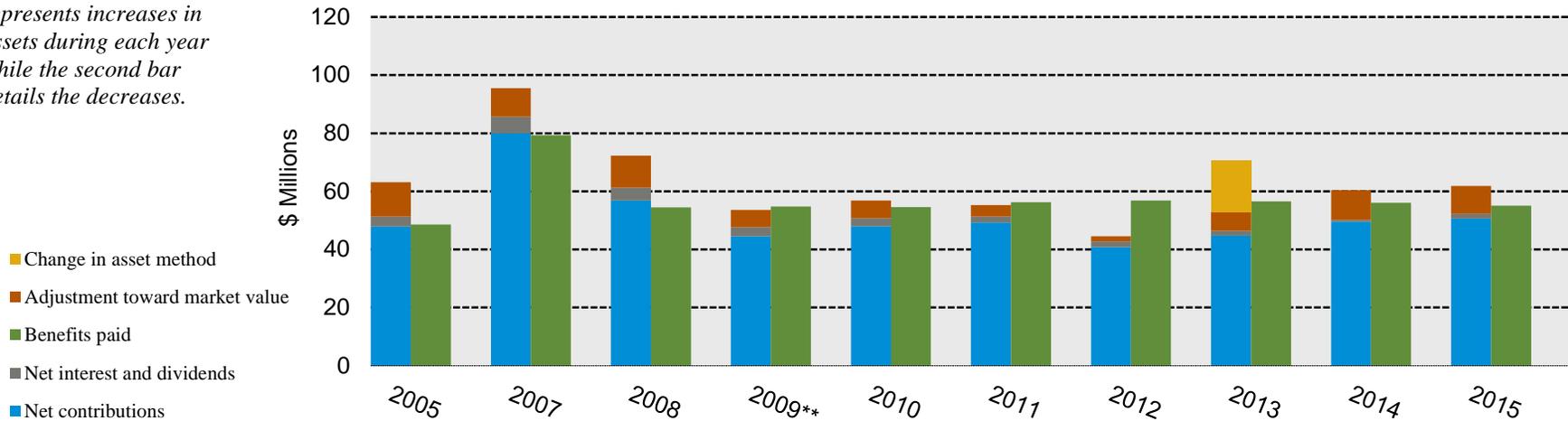
Retirement plan funding anticipates that, over the long term, both contributions and net investment earnings (less investment fees and administrative expenses) will be needed to cover benefit payments.

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, 2005 and June 30, 2007* – 2015



*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.

SECTION 2: Valuation Results for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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 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 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 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, 2015**

1. Market value of assets, June 30, 2015			\$131,133,000
	Original	Unrecognized	
2. Calculation of unrecognized return	<u>Amount*</u>	<u>Return**</u>	
(a) Year ended June 30, 2015	-\$3,287,038	-\$2,629,630	
(b) Year ended June 30, 2014	11,935,912	<u>7,161,547</u>	
(c) Total unrecognized return			4,531,917
3. Preliminary actuarial value: (1) - (2c)			126,601,083
4. Adjustment to be within 20% corridor			0
5. Final actuarial value of assets as of June 30, 2015: (3) + (4)			<u>\$126,601,083</u>
6. Actuarial value as a percentage of market value: (5) ÷ (1)			96.5%
7. Amount deferred for future recognition: (1) - (5)			\$4,531,917

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

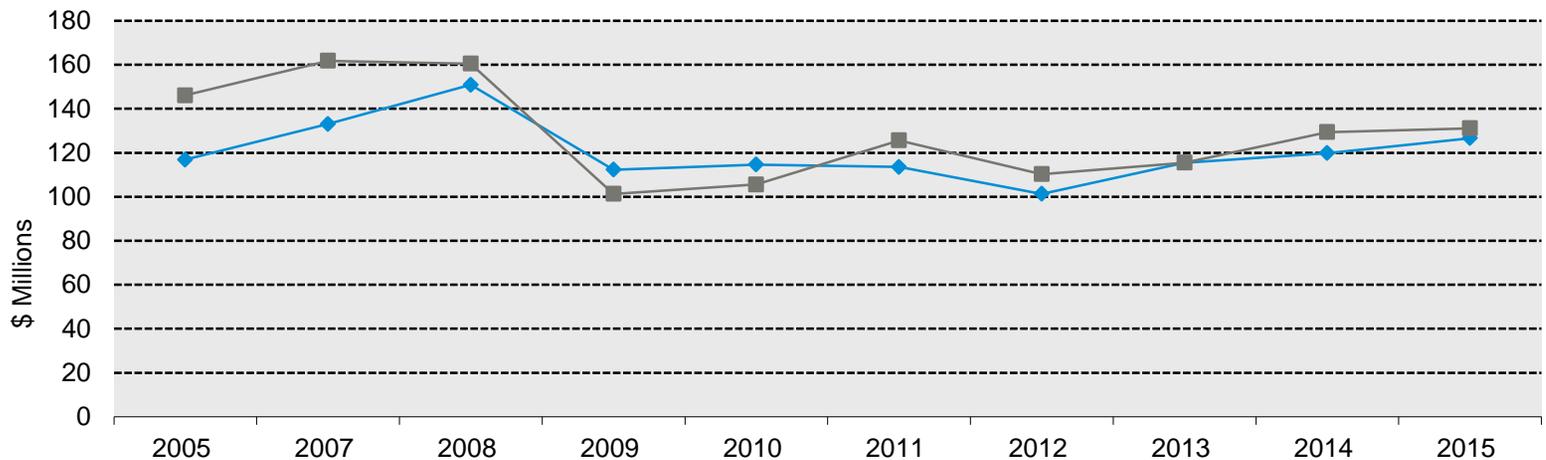
***Recognition at 20% per year over five years*

SECTION 2: Valuation Results for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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, 2005 and June 30, 2007* – 2015



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

SECTION 2: Valuation Results for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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 \$10,737,875, including a gain of \$2,445,930 from investments and a gain of \$8,291,945 from all other sources. The net experience variation from individual sources other than investments was 1.3% 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, 2015

1. Net gain from investments*	\$2,445,930
2. Net gain from other experience	<u>8,291,945</u>
3. Net experience gain: (1) + (2)	\$10,737,875

**Details in Chart 10*

SECTION 2: Valuation Results for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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 2014-2015 plan year was 9.58%.

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, 2015 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, 2015

1. Actual return	\$11,263,813
2. Average value of assets	117,571,770
3. Actual rate of return: (1) ÷ (2)	9.58%
4. Assumed rate of return	7.50%
5. Expected return: (2) x (4)	\$8,817,883
6. Actuarial gain: (1) – (5)	<u>\$2,445,930</u>

SECTION 2: Valuation Results for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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, 2005 and June 30, 2007¹ – 2015

Year Ended	Net Interest and Dividend Income		Recognition of Capital Appreciation		Change in Asset Method		Actuarial Value Investment Return		Market Value Investment Return	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
<u>December 31:</u>										
2005	\$3,423,209	3.36%	\$11,822,177	11.59%	--	--	\$15,245,386	14.95%	\$39,698,388	37.20%
<u>June 30:</u>										
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	559,000	0.50	10,247,270	9.13	--	--	10,806,270	9.63	20,355,000	18.13
2015	<u>1,640,000</u>	1.39	<u>9,623,813</u>	8.19	--	--	<u>11,263,813</u>	9.58	<u>6,247,000</u>	4.91
Total	\$27,329,310		\$76,723,424		\$17,820,091		\$104,052,734		\$121,641,227	
								Five-year average return	7.36%	12.65%
								Ten-year average return	8.86%	9.56%

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

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

²The 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.

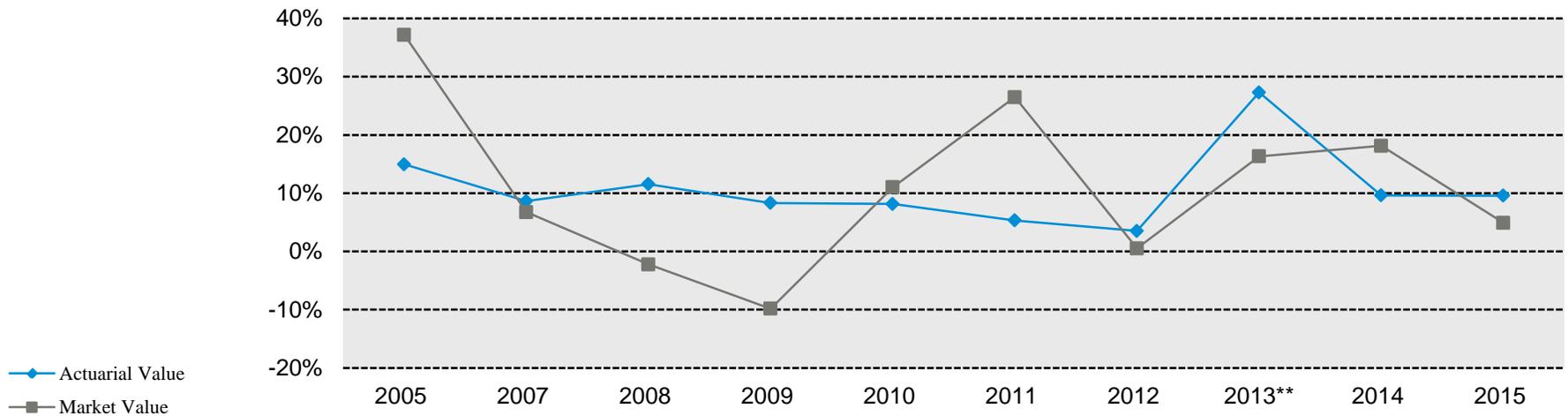
³Actuarial value investment return does not include impact of asset method change

SECTION 2: Valuation Results for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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 2005 - 2015.

CHART 12
Market and Actuarial Rates of Return for Years Ended December 31, 2005 and June 30, 2007* – 2015



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

**Actuarial value rate of return includes method change.

SECTION 2: Valuation Results for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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, 2015 amounted to \$8,291,945, which is 1.3% of the actuarial accrued liability. The liability gain is primarily due to 39 retiree deaths who had joint and survivor benefit forms but no beneficiaries reported in the census data.

SECTION 2: Valuation Results for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

D. RECOMMENDED CONTRIBUTION

The recommended contribution as of July 1, 2015 (for FY 2017) 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 FY 2031.

The contribution requirements for FY 2017 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 Beginning June 30	
	2017	2016
	Amount	Amount
1. Total normal cost	\$4,295,481	\$4,005,639
2. Expected employee contributions	-1,672,880	-1,555,628
3. Employer normal cost: (1) + (2)	\$2,622,601	\$2,450,011
4. Actuarial accrued liability	623,424,181	636,774,641
5. Actuarial value of assets	126,601,083	119,806,270
6. Unfunded actuarial accrued liability: (4) - (5)	\$496,823,098	\$516,968,371
7. Payment on unfunded actuarial accrued liability	45,976,239	44,744,238
8. Total recommended contribution: (3) + (7), adjusted for timing*	<u>\$50,388,350</u>	<u>\$48,932,039</u>
9. Projected School Board contribution for next fiscal year	\$51,900,000	\$50,400,000

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

SECTION 2: Valuation Results for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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 2016 to 2017

Recommended Contribution for Fiscal Year 2016	\$50,400,000
Effect of expected change in amortization payment due to 3% growth assumption	1,433,507
Effect of change in amortization period	930,997
Effect of non-investment gain	-803,925
Effect of investment gain, net of administrative expenses	-237,139
Effect of contributions more than recommended contribution	-7,753
Net effect of other changes	<u>184,313</u>
Total change	<u>\$1,500,000</u>
Recommended Contribution for Fiscal Year 2017	\$51,900,000

SECTION 2: Valuation Results for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

E. 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 14.1 years for FY 2017. The contributions determined under this method continue to meet the Georgia minimum funding requirements by virtue of Georgia Code Section 47-20-10(b).

SECTION 3: Supplemental Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

EXHIBIT A

Table of Plan Coverage

Category	Year Ended June 30		Change From Prior Year
	2015	2014	
Active participants in valuation:			
Number	799	698	14.5%
Average age	49.4	50.6	N/A
Average years of service	11.8	13.8	N/A
Projected total payroll	\$21,585,554	\$20,072,615	7.5%
Projected average payroll	27,016	28,757	-6.1%
Account balances	17,379,098	17,574,911	-1.1%
Total active vested participants	543	585	-7.2%
Vested terminated participants	35	33	6.1%
Retired participants:			
Number in pay status	1,676	1,718	-2.4%
Average age	75.2	74.8	N/A
Average monthly benefit	\$2,269	\$2,254	0.7%
Disabled participants:			
Number in pay status	115	117	-1.7%
Average age	70.3	69.7	N/A
Average monthly benefit	\$1,348	\$1,307	3.1%
Beneficiaries in pay status:			
Number in pay status	303	306	-1.0%
Average age	78.4	77.7	N/A
Average monthly benefit	\$1,785	\$1,731	3.1%
Terminated participants with contributions remaining in the Plan	46	10	360.0%

SECTION 3: Supplemental Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

EXHIBIT B

**Participants in Active Service as of June 30, 2015
By Age, Years of Service, and Average Payroll**

Age	Years of Service									
	Total	0-4	5-9	10-14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 & over
Under 25	7	7	--	--	--	--	--	--	--	--
	\$12,247	\$12,247	--	--	--	--	--	--	--	--
25 - 29	27	25	2	--	--	--	--	--	--	--
	14,413	14,547	\$12,742	--	--	--	--	--	--	--
30 - 34	45	32	9	3	1	--	--	--	--	--
	17,905	17,224	19,210	\$11,834	\$46,151	--	--	--	--	--
35 - 39	73	42	20	7	4	--	--	--	--	--
	21,060	16,658	27,404	22,357	33,287	--	--	--	--	--
40 - 44	106	46	19	16	18	7	--	--	--	--
	25,915	21,685	29,007	26,681	31,612	\$28,913	--	--	--	--
45 - 49	144	36	26	22	23	27	10	--	--	--
	29,344	22,324	34,199	22,974	23,832	34,846	\$53,829	--	--	--
50 - 54	154	35	15	33	27	28	13	3	--	--
	28,739	21,298	29,815	23,451	30,220	30,455	50,295	\$45,567	--	--
55 - 59	118	20	11	15	24	27	17	3	1	--
	30,550	23,917	28,172	21,694	31,563	33,127	39,738	38,256	\$48,967	--
60 - 64	84	22	11	14	13	11	7	1	2	3
	26,441	18,520	31,124	18,595	26,087	36,424	33,873	36,552	35,205	\$42,334
65 - 69	25	3	2	2	7	4	3	1	1	2
	34,797	12,586	35,095	23,375	29,503	28,888	47,838	19,535	37,531	96,281
70 & over	16	2	2	3	1	2	--	--	--	6
	42,098	29,731	12,493	14,532	19,100	20,124	--	--	--	81,030
Total	799	270	117	115	118	106	50	8	4	11
	\$27,016	\$19,370	\$28,901	\$22,385	\$29,107	\$32,517	\$44,966	\$38,445	\$39,227	\$73,249

SECTION 3: Supplemental Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

EXHIBIT C

Reconciliation of Participant Data

	Active Participants	Vested Former Participants¹	Disabled	Retired Participants	Beneficiaries	Total
Number as of July 1, 2014	698	33	117	1,718	306	2,872
New participants ²	165	N/A	N/A	N/A	N/A	165
Terminations—with vested rights	-10	10	0	0	0	0
Terminations—without vested rights	-7	N/A	N/A	N/A	N/A	-7
Retirements	-28	-4	N/A	32	N/A	0
New disabilities	-2	-1	3	N/A	N/A	0
Return to work	0	0	0	0	N/A	0
Died	-3	0	-5	-75	-23	-106
New beneficiaries	0	0	0	0	21	21
Lump sum payoffs	-16	-1	0	0	0	-17
Rehire	2	0	N/A	0	N/A	2
Certain period expired	N/A	N/A	0	0	0	0
Data adjustments ³	<u>0</u>	<u>-2</u>	<u>0</u>	<u>1</u>	<u>-1</u>	<u>-2</u>
Number as of July 1, 2015	799	35	115	1,676	303	2,928

¹ Excludes terminated participants with contributions remaining in the Plan.

² 12 of the 165 new active participants included in the data for the first time this year have over one year of credited service.

³ The following data adjustments were made per the TPA:

One healthy retiree was included for the first time with this valuation.

Two terminated vested participants were verified as non-participants and therefore removed from the data this year.

One duplicate beneficiary record was removed from the data this year.

SECTION 3: Supplemental Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

EXHIBIT D

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended June 30, 2015	Year Ended June 30, 2014
Net assets at actuarial value at the beginning of the year	\$119,806,270	\$115,509,000
Contribution income:		
Employer contributions	\$48,905,000	\$48,000,000
Employee contributions	<u>1,684,000</u>	<u>1,554,000</u>
Net contribution income	50,589,000	49,554,000
Investment income:		
Interest, dividends and other income	\$2,205,000	\$1,999,000
Recognition of capital appreciation	9,623,813	10,247,270
Less investment and administrative fees	<u>-565,000</u>	<u>-1,440,000</u>
Net investment income	<u>11,263,813</u>	<u>10,806,270</u>
Total income available for benefits	\$61,852,813	\$60,360,270
Less benefit payments	-\$55,058,000	-\$56,063,000
Change in reserve for future benefits	\$6,794,813	\$4,297,270
Net assets at actuarial value at the end of the year	\$126,601,083	\$119,806,270

SECTION 3: Supplemental Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

EXHIBIT E

Summary Statement of Income and Expenses on a Market Value Basis

	Year Ended June 30, 2015	Year Ended June 30, 2014
Net assets at market value at the beginning of the year	\$129,355,000	\$115,509,000
Contribution income:		
Employer contributions	\$48,905,000	\$48,000,000
Employee contributions	<u>1,684,000</u>	<u>1,554,000</u>
Net contribution income	50,589,000	49,554,000
Investment income:		
Interest, dividends and other income	\$2,205,000	\$1,999,000
Asset appreciation	4,607,000	19,796,000
Less investment and administrative fees	<u>-565,000</u>	<u>-1,440,000</u>
Net investment income	<u>6,247,000</u>	<u>20,355,000</u>
Total income available for benefits	\$56,836,000	\$69,909,000
Less benefit payments	-\$55,058,000	-\$56,063,000
Change in reserve for future benefits	\$1,778,000	\$13,846,000
Net assets at market value at the end of the year	\$131,133,000	\$129,355,000

SECTION 3: Supplemental Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

EXHIBIT F

Development of the Fund Through June 30, 2015

Year Ended	Employer Contributions	Employee Contributions	Asset Method Change	Net Investment Return¹	Benefit Payments	Actuarial Value of Assets at End of Year
<u>December 31:</u>						
2005	\$45,125,221	\$2,763,397	--	\$15,245,386	\$48,569,891	\$116,866,067
<u>June 30:</u>						
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	--	10,806,270	56,063,000	119,806,270
2015	48,905,000	1,684,000	--	11,263,813	55,058,000	126,601,083

¹Net of investment fees and administrative expenses and includes -\$37,407,319 asset correction in 2009.

²The 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.

³Before Banks, Finley, White & Co. correction of \$37,407,319.

⁴Changed from \$47,333,000 per School Board

⁵Adjusted due to contribution change

SECTION 3: Supplemental Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

EXHIBIT G

Development of Unfunded Actuarial Accrued Liability for Year Ended June 30, 2015

1. Unfunded actuarial accrued liability at beginning of year		\$516,968,371
2. Normal cost at beginning of year		4,005,639
3. Total contributions		-50,589,000
4. Interest		
(a) For whole year on (1) + (2)	\$39,073,051	
(b) For half year on (3)	<u>-1,897,088</u>	
(c) Total interest		<u>37,175,963</u>
5. Expected unfunded actuarial accrued liability		\$507,560,973
6. Changes due to experience gain		<u>-10,737,875</u>
7. Unfunded actuarial accrued liability at end of year		<u>\$496,823,098</u>

SECTION 3: Supplemental Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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, 2015 and as of July 1, 2014.

	Benefit Information Date	
	July 1, 2015	July 1, 2014
Actuarial present value of vested accumulated plan benefits:		
Participants currently receiving payments	\$530,832,226	\$546,007,207
Other vested benefits	<u>59,589,693</u>	<u>57,957,278</u>
Total vested benefits (PVVB)	\$590,421,919	\$603,964,485
Actuarial present value of non-vested accumulated plan benefits	<u>4,008,458</u>	<u>3,583,898</u>
Total actuarial present value of accumulated plan benefits (PVAB)	<u>\$594,430,377</u>	<u>\$607,548,383</u>
Actuarial Value of Assets (AVA)	\$126,601,083	\$119,806,270
Market Value of Assets (MVA)	131,133,000	129,355,000
Funded Ratios (PVVB):		
AVA as a percentage of present value of vested accumulated benefits	21.4%	19.8%
MVA as a percentage of present value of vested accumulated benefits	22.2%	21.4%
Funded Ratios (PVAB):		
AVA as a percentage of present value of accumulated benefits	21.3%	19.7%
MVA as a percentage of present value of accumulated benefits	22.1%	21.3%

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

SECTION 3: Supplemental Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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	-\$1,561,460
Benefits paid	-55,058,000
Interest	<u>43,501,454</u>
Total	<u>-\$13,118,006</u>

SECTION 3: Supplemental Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

EXHIBIT H (continued)

Supplementary Information – Balance Sheet as of July 1, 2015

Present Value of Benefits

1) Present value of retired employees' benefits*	\$530,832,226
2) Present value of terminated vested benefits	2,277,779
3) Present value of active employees' benefits	<u>119,752,215</u>
Total Present Value of Benefits	\$652,862,220

Assets (current and future)

1) Assets on hand (Actuarial Value)	\$126,601,083
2) Present value of future employee contributions	11,975,598
3) Present value of future employer contributions	<u>514,285,539</u>
Total Assets	\$652,862,220

**Includes 1,791 retired members with an average monthly benefit of \$2,210 and 303 beneficiaries of deceased members with an average monthly benefit of \$1,785.*

SECTION 3: Supplemental Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

EXHIBIT I

Asset Allocation as of June 30, 2015

	General Employees	School Board	Total
1. Market value of assets as of July 1, 2014	\$1,145,333,000	\$129,355,000	\$1,274,688,000
2. Employer contributions	48,015,000	48,905,000	96,920,000
3. Employee contributions	<u>16,975,000</u>	<u>1,684,000</u>	<u>18,659,000</u>
4. Total contributions: (2) + (3)	\$64,990,000	\$50,589,000	\$115,579,000
5. Benefit payments and refunds	-\$111,738,000	-\$55,058,000	-\$166,796,000
6. Administrative expenses: allocated on (1)	<u>-1,445,000</u>	<u>-163,000</u>	<u>-1,608,000</u>
7. Total benefit payments and expenses: (5) + (6)	-\$113,183,000	-\$55,221,000	-\$168,404,000
8. Net cash flow: (4) + (7)	-\$48,193,000	-\$4,632,000	-\$52,825,000
9. Average invested assets: (1) + [.5 x (8)]	\$1,121,237,000	\$127,039,000	\$1,248,276,000
10. Net investment return: allocated on (9)	56,575,000	6,410,000	62,985,000
11. Market value of assets as of July 1, 2015: (1) + (8) + (10)	\$1,153,715,000	\$131,133,000	\$1,284,848,000

SECTION 3: Supplemental Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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) Withdrawal 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.

SECTION 3: Supplemental Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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.

SECTION 4: Reporting Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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 303 beneficiaries in pay status)		2,094
2. Participants inactive during year ended June 30, 2015 with vested rights		35
3. Participants active during the year ended June 30, 2015		799
Fully vested	440	
Partially vested	103	
Not vested	256	
4. Terminated participants with contributions remaining in the plan		46

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

1. Total normal cost		\$4,295,481
2. Actuarial accrued liability		623,424,181
Retired participants and beneficiaries	\$530,832,226	
Inactive participants with vested rights*	2,277,779	
Active participants	90,314,176	
3. Actuarial value of assets (\$131,133,000 at market value)		126,601,083
4. Unfunded actuarial accrued liability		\$496,823,098

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

SECTION 4: Reporting Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

EXHIBIT I (continued)

Summary of Actuarial Valuation Results

The determination of the recommended contribution is as follows:

1. Total normal cost	\$4,295,481
2. Expected employee contributions	<u>-1,672,880</u>
3. Employer normal cost: (1) + (2)	\$2,622,601
4. Payment on unfunded actuarial accrued liability	45,976,239
5. Total recommended contribution: (3) + (4), adjusted for timing	<u>\$50,388,350</u>
6. Projected employer contribution for FY 2017	\$51,900,000

SECTION 4: Reporting Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

EXHIBIT II

History of City Contributions

Plan Year Ended June 30	Actuarially Determined Contributions (ADEC)¹	Actual Contributions	Percentage Contributed
2010	\$43,584,939	\$45,500,000	100.0%
2011	37,216,555	39,000,000 ²	100.0%
2012	38,830,014	39,000,000	100.0%
2013	42,169,235	43,013,000	100.0%
2014	47,435,217	48,000,000	100.0%
2015	48,000,000	48,905,000	100.0%

¹Prior to GASB 67/68, this amount was the Annual Required Contribution (ARC).

²Changed from \$47,333,000 per School Board

SECTION 4: Reporting Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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)
01/01/2006	\$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	119,806,270	636,774,641	516,968,371	18.81%	20,072,615	2,575.49%
07/01/2015	126,601,083	623,424,181	496,823,098	20.31%	21,585,554	2,301.65%

* Not less than zero

SECTION 4: Reporting Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

EXHIBIT IV

Actuarial Assumptions and Actuarial Cost Method

Rationale for Assumptions: The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the Experience Study Report for the 7½ year period ended June 30, 2011.

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

These mortality tables were determined to contain provision appropriate to reasonably reflect future mortality improvement, based on a 7½ year review of mortality experience for the 2003-2011 period. The mortality assumption 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:

Age	Rate (%)					Withdrawal**
	Healthy Mortality		Ordinary Disability*			
	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 do not apply beyond age 50.

SECTION 4: Reporting Information for the City of Atlanta General Employees' Pension Fund Employees of the Atlanta Board of Education

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	66-69	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.

The net investment return assumption was chosen by the Pension Fund's Board of Trustees, with input from the actuary. This assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes, as well as the Plan's target asset allocation.

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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
	<i>Above rates include 2.75% inflation and 0.75% productivity.</i>	
Vacation Pay Adjustment:	Retirement benefits are increased by 4.00% to reflect vacation pay.	
Cost-of-Living Adjustment:	3.00%, compounded annually.	
Refunds of Employee Contributions for Terminated Vested Participants:	50% of employee contribution balances.	
Actuarial Value of Assets:	<p>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.</p> <p>The actuarial value of assets was reset to the market value of assets as of July 1, 2013.</p>	
Actuarial Cost Method:	Entry Age Normal Actuarial Cost Method. Entry Age is the age at the time the participant commenced employment. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary.	
Changes in Assumptions:	There have been no changes in actuarial assumptions or methods since the last valuation.	

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EXHIBIT V

Summary of Plan Provisions

This exhibit summarizes the major provisions of the City of Atlanta General Employees' Pension Fund 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:

<i>Eligibility</i>	A participant may retire at (a) age 65, or (b) age 60 after completing 15 years of service.
<i>Monthly Amount</i>	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.
<i>Normal Form of Payment</i>	75% joint and survivor annuity (no reduction in benefit for providing survivor coverage)

Early Pension:

<i>Service Requirement</i>	5 years credited service
<i>Monthly Amount</i>	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.

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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:

<u>Completed Years of Service</u>	<u>Percentage Vested*</u>
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.

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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:

<u>Employee</u>	<u>% of Base Salary</u>
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.