

City of Atlanta General Employees' Pension Fund

*Actuarial Valuation and Review
as of July 1, 2007*

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February 5, 2008

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

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of July 1, 2007. This report outlines the valuation results for the participating General Employees of the City of Atlanta. It summarizes the actuarial data used in the valuation, establishes the funding requirements, and analyzes the preceding year's experience.

The census information was provided by the City. The actuarial calculations were completed under the supervision of Martha A. Mabry, MAAA, Enrolled Actuary.

I hereby certify that the City of Atlanta General Employees' Pension Fund for the General Employees of the City 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 2007 fiscal year of the Plan.

This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the Plan.

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

Sincerely,

THE SEGAL COMPANY

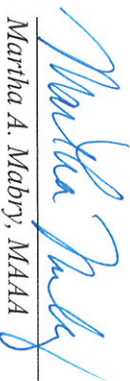
By:


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

Purpose

This report has been prepared by The Segal Company to present a valuation of the City of Atlanta General Employees' Pension Fund as of July 1, 2007. This valuation reflects a change in the Plan Year from January 1 through December 31 to July 1 through June 30. 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 Plan, as administered by the Board;
- > The characteristics of covered active participants, inactive vested participants, and retired participants and beneficiaries as of December 31, 2006, provided by the City;
- > The assets of the Plan as of June 30, 2007, provided in cash statements by the Administrative Office;
- > Economic assumptions regarding future salary increases and investment earnings; and
- > Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

Executive Summary

- > The plan currently receives employee contributions of 6% or 7% of base salary and the City contributes an amount to make up the difference between the employee contributions and the recommended contribution amount. The recommended contribution amount is actuarially determined as a level percentage of payroll and designed to eliminate the unfunded actuarial accrued liability as of December 31, 2024.
- > The City's recommended contribution is \$69,990,896, or 43.2% of total payroll for the 2008 Plan Year. This amount is an increase of \$7,520,584, or 4.0%, over the prior valuation's cost. The increase in cost is due primarily to investment losses, changes in actuarial assumptions and the impact of the decreasing amortization period, as outlined on page 13.
- > The market value of assets earned 13.9% over the 18-month period from January 1, 2006 through June 30, 2007. On an annualized basis, the market value of assets return is 9.1%. To minimize the impact of market fluctuations on the City's required contributions, the Plan uses an asset valuation method that recognizes 20% of each year's net market value appreciation or depreciation. Based on this methodology, the Plan's actuarial value of assets earned 4.8% on an annualized basis, compared with the valuation assumption of 8.0%, generating an investment loss of \$33,191,454.

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

- This actuarial valuation report as of July 1, 2007 is based on financial information as of that date provided by the Administrative Office. 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 lower the actuarial cost of the Plan. For example, a 10% change in the current year's actuarial value of assets would produce a \$5,759,942 change in the recommended contribution level. Because the actuarial value of assets involves a smoothing method, a 10% change in market value would not be fully reflected immediately in the actuarial value of assets. Rather, that effect would be spread over a period of years. We have shown the full impact immediately in order to indicate the sensitivity of costs to market fluctuations.
- This valuation reflects changes in the assumption for participant mortality from the Group Annuity Mortality Table of 1983 to the more up-to-date RP2000 Mortality Table and in the assumption for terminated participants who elect a refund of their contributions.
 - The RP2000 Mortality Table was chosen to reflect recent improvements in life expectancies.
 - Due to recent Plan changes and experience, the assumption for the percentage of terminated participants who elect a refund of their contributions was lowered from 100% to 50%. This change is outlined in more detail below.
 - These changes in actuarial assumptions are based on a brief review of recent experience, but we suggest a full review of all experience. It is typical for Plans to conduct a full experience review every three to five years. However, the City has not conducted such a study since 2001. Therefore, we recommend a full review of the past five years of experience.
- As noted previously, this valuation reflects the liability for former participants who have vested rights to a deferred benefit. The participants valued were determined based on a listing of terminated employees provided by the City, compared against a listing of participants who received refunds. A participant who terminated employment and did not receive a refund of his or her contributions was assumed to be entitled to a deferred vested benefit based on service data provided. The monthly benefits for these participants were estimated based on benefit service, salary and vesting percentage. The actual benefits for these participants may vary from that estimated.

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

Summary of Key Valuation Results

	July 1, 2007	January 1, 2006
Contributions:		
1. Normal cost	\$23,644,923	\$23,212,020
2. Expected employee contributions	10,004,067	9,837,021
3. Payment to amortize unfunded liability	<u>50,807,728</u>	44,148,528
4. Total required city annual contributions (1-2+3)*	\$66,976,934	\$59,780,203
5. Total required city contributions as a percentage of payroll	43.2%	39.2%
6. Projected city contribution for the next year	\$69,990,896	\$62,470,312
7a. Actuarial value of assets	749,352,366	702,177,822
b. Market value of assets	830,265,841	732,477,416
8. Actuarial accrued liability	1,436,277,829	1,335,974,342

GASB 25/27 for plan year:

Annual city required contributions at beginning of year	\$64,448,584	\$57,523,527
Actual contributions	--	57,523,527
Covered payroll	\$155,184,963	\$152,407,546

Demographic data for plan year beginning January 1:

Number of retired participants and beneficiaries	3,235	3,083
Number of terminated vested participants	201	0
Number of participants receiving Workers' Compensation benefits	7	7
Number of active participants	3,511	3,319
Total payroll	\$155,184,963	\$152,407,546
Average payroll	44,200	45,920

* Adjusted for timing

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

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. While the Plan Year changed to July 1 with this valuation, the participant data was provided as of December 31, 2006.

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.

CHART 1

Participant Population: 1995 – 2007

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

Year Ended December 31	Active Participants*	Vested Terminated Participants	Retired Participants and Beneficiaries	Ratio of Non-Actives to Actives
1995	5,069	--	2,876	0.57
1997	4,412	522	3,171	0.84
1999	4,486	62	3,169	0.72
2000	4,454	--	3,104	0.70
2001	4,589	--	3,194	0.70
2002	4,107	--	3,058	0.74
2003	3,847	--	3,049	0.79
2004	3,528	--	3,031	0.86
2005	3,319	--	3,083	0.93
2006	3,511	201	3,235	0.98

* Excludes participants receiving worker's compensation benefits.

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

Active Participants

Plan costs are affected by the age, years of service and payroll of active participants. In this year's valuation, there were 3,511 active participants with an average age of 46.9, average years of service of 13.2 years and average payroll of \$44,200. The 3,319 active participants in the prior valuation had an average age of 47.7, average service of 14.7 years and average payroll of \$45,920.

Inactive Participants

In this year's valuation, there were 201 participants with a vested right to a deferred or immediate vested benefit. These participants were listed as terminated employees in data provided by the City, but they were not on the list of participants who received a refund of their contributions. We assumed that 50% of these participants will receive deferred vested benefits. Their accrued benefits were estimated based on salary, service and vested percentage data provided. The other 50% is assumed to receive a refund of their 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 December 31, 2006

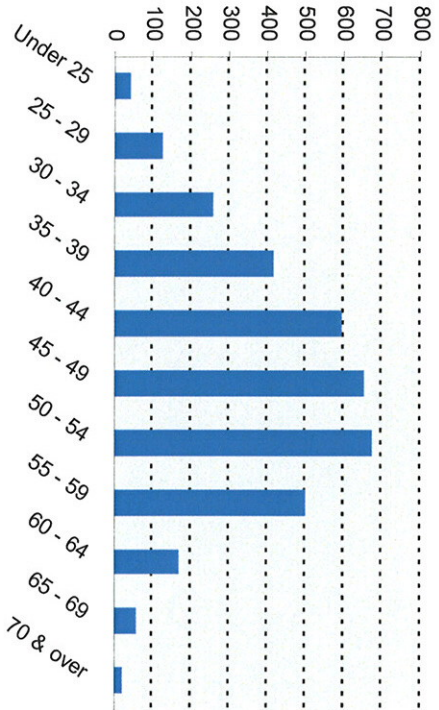
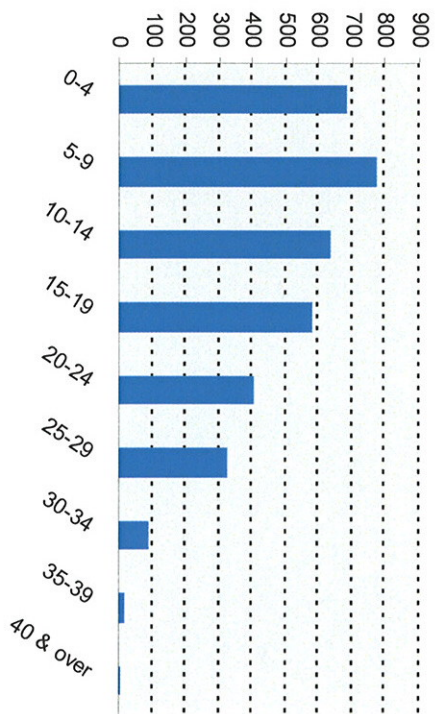


CHART 3
Distribution of Active Participants by Years of Service as of December 31, 2006



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

Retired Participants and Beneficiaries

As of December 31, 2006, 2,388 retired participants and 847 beneficiaries were receiving total monthly benefits of \$5,649,119. For comparison, in the previous valuation, there were 2,231 retired participants and 852 beneficiaries receiving monthly benefits of \$5,036,382.

CHART 4

Distribution of Retired Participants and Beneficiaries by Type and by Monthly Amount as of December 31, 2006

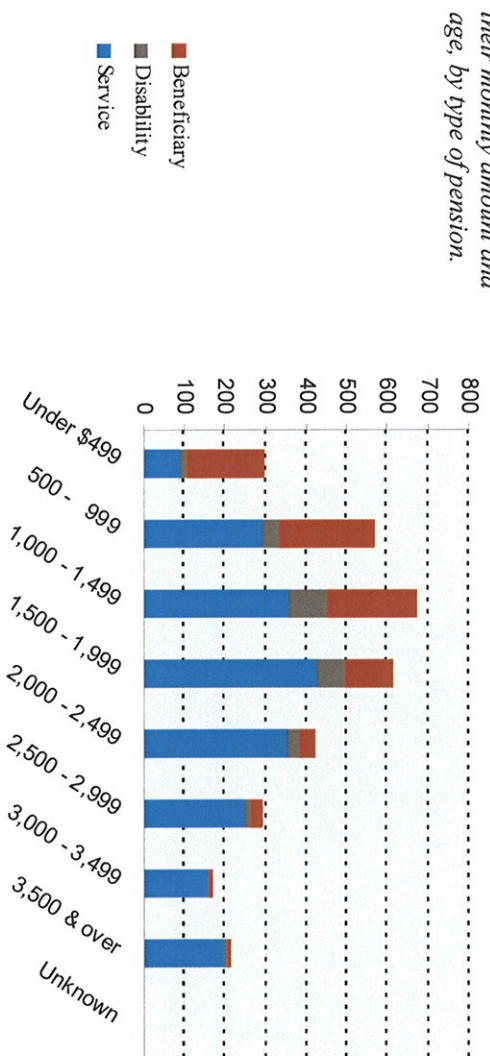
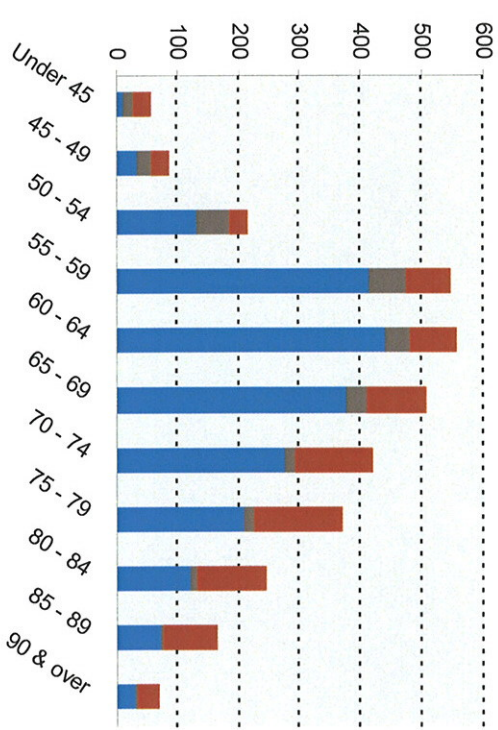


CHART 5

Distribution of Retired Participants and Beneficiaries by Type and by Age as of December 31, 2006



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

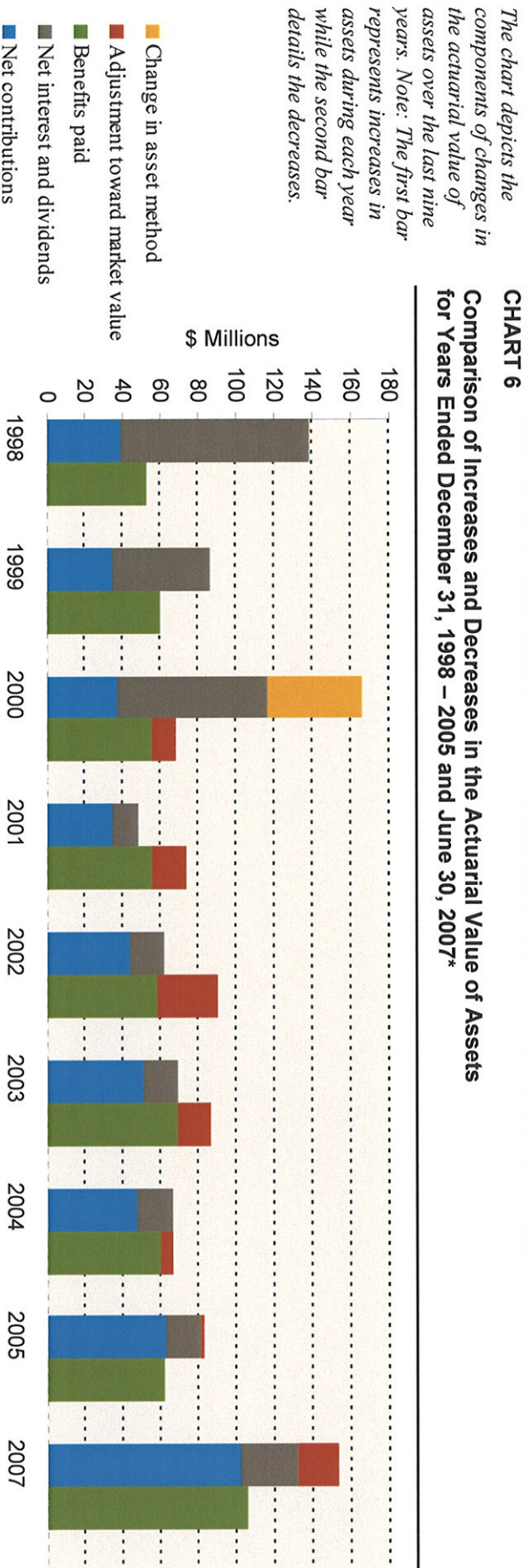
B. FINANCIAL INFORMATION

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 and E.

With this valuation the Plan Year changed to July 1 through June 30.

CHART 6
Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended December 31, 1998 – 2005 and June 30, 2007*



* 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

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 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, 2007

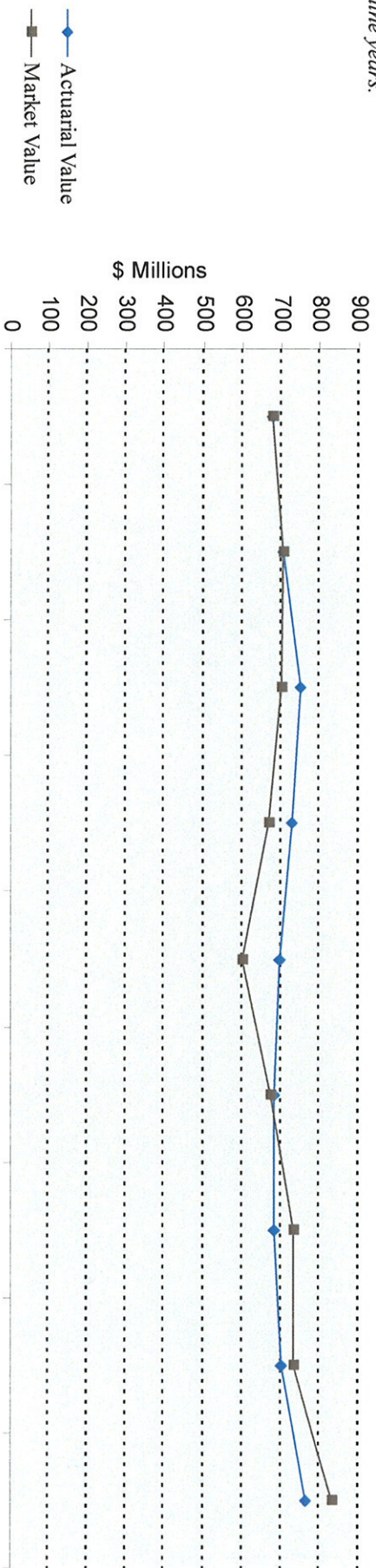
Actuarial Value as of January 1, 2006			\$702,177,822
Net new money (contributions plus dividends and interest less expenses and benefit payments)			25,930,336
20% of asset appreciation/(depreciation) for the current year and the four prior years			21,244,208
Year Ended	Asset Appreciation/	20% Amount	
June 30:	(Depreciation)		
2007*	\$71,858,090	\$14,371,618	
December 31:			
2005	-17,694,672	-3,538,934	
2004	49,348,436	9,869,687	
2003	71,522,184	14,304,437	
2002	<u>-68,813,000</u>	<u>-13,762,600</u>	
Total	\$106,221,078	\$21,244,208	
Actuarial Value of assets as of June 30, 2007			\$749,352,366
Market Value of assets as of June 30, 2007			\$830,265,841
Actuarial Value as percentage of Market Value			90.3%

* The Plan Year was changed from January 1 to July 1, effective July 1, 2007. Therefore, the asset appreciation for the year ended June 30, 2007 represents the 18-month period from January 1, 2006 through June 30, 2007.

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

Both the actuarial value and market value of assets are representations of the General Employees of the City of Atlanta'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 General Employees of the City of Atlanta'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 nine years.



* 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

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 loss is \$16,945,349, comprised of a loss of \$33,191,454 from investments offset by a gain of \$16,246,105 from all other sources. The net experience variation from individual sources other than investments was 1.2% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is outlined on the following pages.

This chart provides a summary of the actuarial experience over the past 18 months.

CHART 9

Actuarial Experience for Period Ended June 30, 2007

1. Net loss from investments*	-\$33,191,454
2. Net gain from other experience	<u>16,246,105</u>
3. Net experience loss: (1) + (2)	-\$16,945,349

* Details in Chart 10

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

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 General Employees of the City of Atlanta's investment policy. For valuation purposes, the assumed rate of return on the actuarial value of assets is 8.00%. The annualized actual rate of return on an actuarial basis for the Plan Year ended June 30, 2007 was 4.78%.

Since the actual return for the year was less than the assumed return, the General Employees of the City of Atlanta experienced an actuarial loss for the period ending June 30, 2007 with regard to its investments.

This chart shows the loss due to investment experience.

CHART 10

Actuarial Value Investment Experience for Year Ended June 30, 2007

	Year Ended June 30, 2007
1. Actual return*	\$50,849,394
2. Average value of assets*	1,050,510,596
3. Actual rate of return** : (1) ÷ (2)	4.78%
4. Assumed rate of return	8.00%
5. Expected return: (2) x (4)	\$84,040,848
6. Actuarial loss: (1) – (5)	<u>-\$33,191,454</u>

* For the 18-month period beginning January 1, 2006 through June 30, 2007.

** Annualized

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

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.

While the returns in recent years have been lower than the assumed rate of return, since this is a long-term assumption, we have maintained the assumed rate of return of 8.00%.

CHART 11

Investment Return – Actuarial Value vs. Market Value: 1998 - 2007

Year Ended December 31/June 30*	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
1997	\$95,414,000	20.09	--	--	--	--	\$95,414,000	20.09	\$95,414,000	20.09
1998	99,411,000	17.02	--	--	--	--	99,411,000	17.02	99,411,000	17.02
1999	51,690,000	7.78	--	--	--	--	51,690,000	7.78	51,690,000	7.78
2000	79,323,000	11.43	-12,239,800	-1.76	48,959,200	7.05	116,042,400	9.67	18,124,000	2.61
2001	13,298,000	1.79	-17,476,800	-2.36	--	--	-4,178,800	-0.56	-12,887,000	-1.86
2002	18,127,000	2.52	-31,239,400	-4.35	--	--	-13,112,400	-1.82	-50,686,000	-7.67
2003	18,247,735	2.65	-16,934,963	-2.46	--	--	1,312,772	0.19	89,769,919	15.12
2004	19,066,970	2.82	-7,065,273	-1.05	--	--	12,001,697	1.78	68,415,406	10.24
2005	18,348,787	2.69	1,635,590	0.24	--	--	19,984,377	2.93	654,115	0.09
2007**	<u>29,605,185</u>	2.82	<u>21,244,208</u>	2.02	<u>--</u>	<u>--</u>	<u>50,849,393</u>	4.78	<u>101,463,275</u>	9.06
Total	\$442,528,677		-\$83,320,646		\$48,959,200		\$433,013,246		\$461,368,715	
							Five-year average return	1.86%		5.59%
							Ten-year average return	5.46%		6.73%

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

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

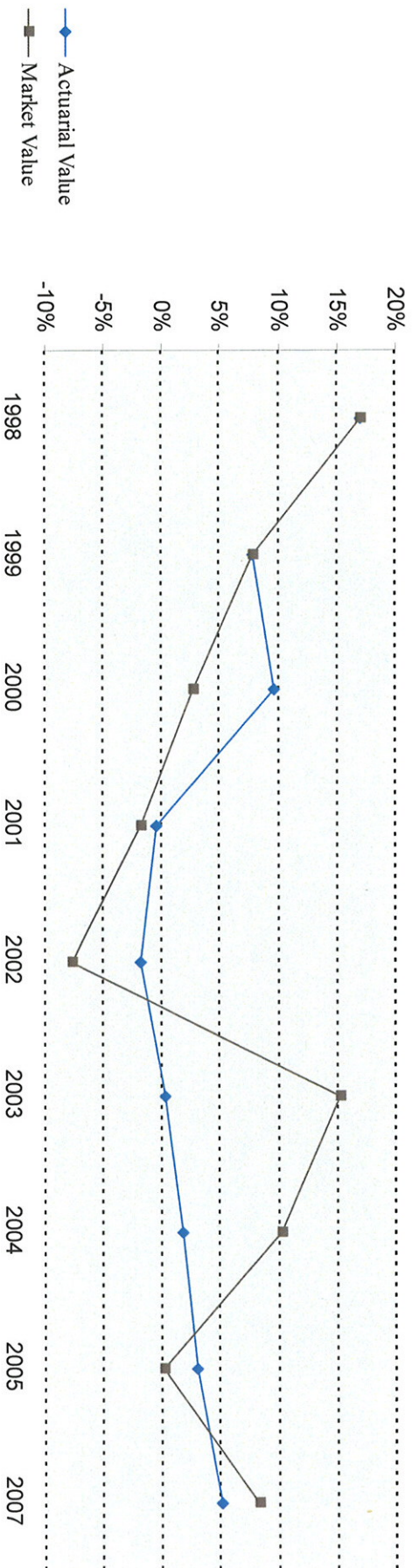
** The amounts for the year ended June 30, 2007 represent the 18-month period from January 1, 2006 through June 30, 2007. The percentages shown have been annualized.

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

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 1998 - 2007.

CHART 12
Market and Actuarial Rates of Return for Years Ended December 31, 1998 – 2005 and June 30, 2007*



* 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

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 18-month period ending June 30, 2007 amounted to \$16,246,105, which is 1.2% of the actuarial accrued liability. This gain is primarily the result of fewer disability retirements than expected, more turnover than anticipated and retirements at ages different than expected, offset by losses from longer life expectancy among participants.

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

D. RECOMMENDED CONTRIBUTION

The recommended contribution is based on a 20-year amortization of the unfunded actuarial accrued liability, as directed by the Board of Trustees in accordance with City Charter. As of July 1, 2007, there are 17.5 years remaining on this schedule. Prior to 2005 the recommended contribution was based on a 40-year amortization from January 1, 1979 that would have resulted in 11.5 years remaining on the schedule.

The contribution rates as of July 1, 2007 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.

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

CHART 13
Recommended Contribution*

	Year Beginning	
	July 1, 2007	January 1, 2006
	Amount	Amount
1. Total normal cost	\$23,644,923	\$23,212,020
2. Expected employee contributions	-10,004,067	-9,837,021
3. City normal cost: (1) + (2)	\$13,640,856	\$13,374,999
4. Actuarial accrued liability	1,436,277,829	1,335,974,342
5. Actuarial value of assets	<u>749,352,366</u>	<u>702,177,822</u>
6. Unfunded actuarial accrued liability: (4) - (5)	\$686,925,463	\$633,796,520
7. Payment on unfunded actuarial accrued liability*	50,807,728	44,148,528
8. Total recommended contribution: (3) + (7), adjusted for timing**	<u>\$66,976,934</u>	<u>\$59,780,203</u>
9. Projected payroll	\$155,184,963	\$152,407,546
10. Total recommended contribution as a percentage of payroll	43.2%	39.2%
11. Projected City contribution for the next year	69,990,896	62,470,312

* Amortized over 17.5 years for 2007 and 19 years for 2006.
** 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

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 increase in cost is primarily due to investment losses, changes in actuarial assumptions and the impact of the decreasing amortization schedule.

CHART 14

Reconciliation of Recommended Contribution from January 1, 2006 to July 1, 2007

	Recommended Contribution as of January 1, 2006
Effect of amortization schedule	\$3,131,517
Effect of change in actuarial assumptions	2,485,395
Effect of contributions less than recommended contribution	256,102
Effect of investment loss	2,551,281
Effect of other gains on accrued liability	-1,176,055
Effect of net other changes	<u>-51,509</u>
Total change	<u>\$7,196,731</u>
Recommended Contribution as of July 1, 2007	\$66,976,934

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

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

E. INFORMATION REQUIRED BY THE GASB

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 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. Chart 16 below presents a graphical representation of this information for the Plan.

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 GASB. High ratios indicate a well-funded plan with assets sufficient to pay most benefits. 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. Note that these exhibits do not include the impact of new participants from the City's Defined Contribution Plan.

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

F. STATE MINIMUM REQUIREMENTS

Under Georgia minimum funding requirements, this 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. (It should be noted that pensioner increases are an exception and must be amortized as a fixed dollar amount over 10 years.)

Prior to the 2005 valuation, your Fund had adopted the policy of amortizing the unfunded actuarial liability as a level percentage of payroll over 40 years from January 1, 1979. Effective with contributions made for 2006, the amortization period is changed to 20 years from January 1, 2005. The contributions determined under this method continue to meet the Georgia minimum funding requirements.

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

EXHIBIT A

Table of Plan Coverage

Category	Year Ended December 31		Change From Prior Year
	2006	2005	
Active participants in valuation:			
Number	3,511	3,319	5.8%
Average age	46.9	47.7	N/A
Average service	13.2	14.7	N/A
Total payroll	\$155,184,963	\$152,407,546	1.8%
Average payroll	44,200	45,920	-3.7%
Account balances	138,284,673	147,099,300	-6.0%
Total active vested participants	2,929	3,157	-7.2%
Vested terminated participants	201	0	N/A
Participants receiving Workers' Compensation Benefits			
	7	7	0.0%
Retired participants:			
Number in pay status	2,115	1,965	7.6%
Average age	67.2	66.9	N/A
Average monthly benefit	\$2,029	\$1,914	6.0%
Disabled participants:			
Number in pay status	273	266	2.6%
Average age	60.2	59.9	N/A
Average monthly benefit	\$1,512	\$1,422	6.3%
Beneficiaries:			
Number in pay status	847	852	-0.6%
Average age	72.3	71.7	N/A
Average monthly benefit	\$1,116	\$1,053	6.0%

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

EXHIBIT B

Participants in Active Service as of December 31, 2006
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	44	44	--	--	--	--	--	--	--	--	--	--	--
25 - 29	\$28,684 127	\$28,684 91	-- 36	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --
30 - 34	32,440 256	32,386 103	\$32,577 123	-- 30	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --	-- --
35 - 39	36,760 416	33,402 106	38,524 145	\$41,051 126	-- 37	-- 2	-- --	-- --	-- --	-- --	-- --	-- --	-- --
40 - 44	41,104 595	34,435 103	41,053 144	45,914 154	\$44,138 135	\$39,052 52	-- 7	-- --	-- --	-- --	-- --	-- --	-- --
45 - 49	41,924 653	34,903 85	38,377 118	44,557 120	45,502 149	47,431 124	\$50,376 57	-- --	-- --	-- --	-- --	-- --	-- --
50 - 54	44,744 672	37,778 78	40,416 101	44,791 90	47,098 128	48,962 114	48,665 130	-- 28	-- --	-- --	-- --	-- --	-- --
55 - 59	47,697 502	40,224 53	42,389 67	45,872 72	48,836 78	50,355 76	52,854 107	\$52,972 43	28 43	3 5	3 1	3 1	3 1
60 - 64	50,654 167	42,885 13	43,188 31	48,176 26	47,849 31	54,920 27	56,381 23	60,761 12	43 12	5 4	1 4	1 4	1 4
65 - 69	47,952 56	35,479 2	42,481 8	45,820 13	48,868 14	49,007 7	53,656 2	65,741 4	12 4	4 3	3 3	3 3	3 3
70 & over	46,863 23	42,337 2	35,659 1	49,794 4	46,127 8	44,297 2	60,441 --	52,941 4	64,452 1	41,731 1	47,052 1	47,052 1	47,052 1
Total	44,227 3,511 \$44,200	25,282 680 \$35,460	31,200 774 \$40,010	46,332 635 \$45,472	49,361 580 \$47,125	54,348 404 \$50,179	-- 326 \$53,329	40,337 91 \$57,779	38,157 16 \$47,553	47,052 5 \$44,302	47,052 5 \$44,302	47,052 5 \$44,302	47,052 5 \$44,302

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

EXHIBIT C

Reconciliation of Participant Data

	Active Participants	Participants Receiving Workers' Compensation	Vested Former Participants	Disableds	Retired Participants	Beneficiaries	Total
Number as of January 1, 2006	3,319	7	0	266	1,965	852	6,409
New participants	398	0	96	N/A	N/A	N/A	494
Show-ups	136	0	30	1	14	47	248
Terminations	-103	N/A	0	N/A	N/A	N/A	-103
Retirements	-187	0	-5	N/A	192	N/A	0
New disabilities	-15	0	-1	16	N/A	N/A	0
Died	-3	0	0	-10	-65	-43	-120
Refunds	-57	0	0	0	0	0	-57
Retired	3	0	-3	0	0	N/A	0
Data adjustments	0	0	84	0	9	-9	84
Number as of January 1, 2007	3,511	7	201	273	2,115	847	6,954

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

EXHIBIT D

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended June 30, 2007*	Year Ended December 31, 2005
Contribution income:		
Employer contributions	\$84,672,851	\$51,785,164
Employee contributions	<u>17,284,877</u>	<u>10,893,857</u>
Net contribution income	\$101,957,728	\$62,679,021
Investment income:		
Interest, dividends and other income	\$34,278,313	\$21,146,934
Adjustment toward market value	21,244,208	1,635,590
Less investment and administrative fees	<u>-4,673,127</u>	<u>-2,798,147</u>
Net investment income	50,849,394	<u>19,984,377</u>
Total income available for benefits	\$152,807,122	\$82,663,398
Less benefit payments:		
Pension payments	-\$102,615,007	\$59,761,375
Early Withdrawals	-2,994,754	-1,867,309
Refunds	<u>-22,817</u>	<u>-1,567</u>
Net benefit payments	-\$105,632,578	-\$61,630,251
Change in reserve for future benefits	\$47,174,544	\$21,033,147

* The amounts shown are for the 18-month period January 1, 2006 through June 30, 2007.

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

EXHIBIT E

Development of the Fund Through June 30, 2007

Year Ended	Employer Contributions	Employee Contributions	Net Investment Return*	Benefit Payments	Actuarial Value of Assets at End of Year
December 31					
1997	\$28,152,700	\$14,484,300	\$95,414,000	\$43,367,000	\$590,739,000
1998	22,667,900	16,528,100	99,411,000	52,402,000	676,944,000
1999	23,807,500	10,987,500	51,690,000	60,048,000	703,381,000
2000	26,206,000	10,886,000	116,042,400	55,816,000	751,740,200
2001	22,460,000	12,054,000	-4,178,800	55,895,000	726,180,400
2002	30,910,000	12,390,000	-13,112,400	58,619,000	697,749,000
2003	40,699,549	10,533,540	1,312,772	69,135,592	681,159,269
2004	37,051,528	10,670,811	12,001,697	59,738,630	681,144,675
2005	51,785,164	10,893,857	19,984,377	61,630,251	702,177,822
June 30					
2007**	84,672,851	17,284,877	50,849,394	105,632,578	749,352,366

* Net of investment fees and administrative expenses and includes \$48,959,200 adjustment for asset method change in 2000.

** 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.

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

EXHIBIT F

Development of Unfunded Actuarial Accrued Liability

	June 30, 2007
1. Unfunded actuarial accrued liability as of January 1, 2006	\$633,796,520
2. Total normal cost as of January 1, 2006	23,212,020
3. Interest to December 31, 2006	<u>52,560,683</u>
4. Expected unfunded actuarial accrued liability as of December 31, 2006	\$709,569,223
5. Total normal cost as of January 1, 2007*	12,128,280
6. Total contributions**	-101,957,728
7. Interest to July 1, 2007	
(a) For half year on (4) + (5)	\$28,867,900
(b) For ¾ year on (6)	<u>-6,117,465</u>
(c) Total	<u>22,750,435</u>
8. Expected unfunded actuarial accrued liability as of July 1, 2007	642,490,212
9. Changes due to:	
(a) Experience loss	16,945,349
(b) Assumption changes	<u>27,489,902</u>
(c) Total	<u>44,435,251</u>
10. Unfunded actuarial accrued liability as of July 1, 2007	<u>\$686,925,463</u>

* Represents normal cost for period January 1, 2007 through June 30, 2007.

** For 18-month period January 1, 2006 through June 30, 2007. Contributions are assumed to be paid at the middle of the period.

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

EXHIBIT G

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, term vested participants, beneficiaries 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 equivalent of the accumulated normal costs allocated to the years before the valuation date.

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

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 Returns:

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

**EXHIBIT H
Supplemental Information - Actuarial Present Value of Accumulated Plan Benefits**

The actuarial present value of accumulated plan benefits is shown below as of July 1, 2007 and as of January 1, 2006.

	Benefit Information Date	
	July 1, 2007	January 1, 2006
Actuarial present value of vested accumulated plan benefits:		
Participants currently receiving payments	\$807,888,106	\$707,302,886
Other vested benefits	372,398,586	370,008,672
Total vested benefits	\$1,180,286,692	\$1,077,311,558
Actuarial present value of non-vested accumulated plan benefits	53,288,181	53,927,312
Total actuarial present value of accumulated plan benefits	<u>\$1,233,574,873</u>	<u>\$1,131,238,870</u>
Actuarial Value of Assets	\$749,352,366	\$702,177,822
Funded Ratios:		
Assets as a percentage of present value of vested accumulated benefits	63.5%	65.2%
Assets as a percentage of present value of accumulated benefits	60.7%	62.1%

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

EXHIBIT H (continued)

Supplemental 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	\$57,655,419
Benefits paid	-105,632,578
Interest	129,410,710
Assumption changes	20,902,452
Total	<u>\$102,336,003</u>

Assumption changes include the new mortality rates and the number of terminated employees assumed to receive return of contributions.

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

EXHIBIT H (continued)

Supplemental Information – Balance Sheet as of July 1, 2007

Present Value of Benefits*	
1) Present Value of Retired Employees' Benefits*	\$807,888,106
2) Present Value of Active Employees' Benefits**	791,055,646
3) Present Value of Terminated Vested Benefits	<u>16,691,375</u>
Total Present Value of Benefits	\$1,615,635,127
Assets (Current and Future)	
1) Assets on Hand (Actuarial Value)	\$749,352,366
2) Present Value of Future Employee Contributions	78,585,082
3) Present Value of Future City Contributions (Includes 1% Portion of Employee Contributions)	100,772,216
4) Present Value of Future City Contributions Necessary to Fund Unfunded Actuarial Accrued Liability Over 20 years from January 1, 2005*	<u>686,925,463</u>
Total Assets	\$1,615,635,127

* 3,325 retired members (including 847 beneficiaries in pay status) with an average monthly benefit of \$1,746.

** Includes liability for employees receiving Workers' Compensation benefits who are continuing to accrue pension credit.

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

EXHIBIT H (continued)

Supplemental Information – Estimated Projection of Total Payroll and Unfunded Accrued Liabilities (\$ in thousands)

Year	Total Payroll**	Payment on Unfunded Accrued Liability		Estimated Unfunded Accrued Liability at End of Year**
		Dollar Amount	As a % of UAL	
2006	--	--	--	686,925
2007	\$155,185	\$52,801	7.4%	687,007
2008	162,168	55,177	7.7%	684,626
2009	169,466	57,660	8.1%	679,474
2010	177,092	60,255	8.5%	671,214
2011	185,061	62,966	9.0%	659,475
2014	211,186	71,855	11.1%	599,140
2019	263,716	89,544	19.6%	382,819
2024	327,966	56,254	100.0%	--

* Total payroll is assumed to increase 4.5% per year.

** Unfunded accrued liability at end of previous year, plus 8% interest, less payment on unfunded accrued liability with interest to end of year. It should be noted that the payments on the unfunded accrued liability reduce this amount until the end of the year 2024 (when the unfunded accrued liability will be fully amortized).

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

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 December 31, 2006 (including 847 beneficiaries in pay status)		3,235
2. Participants inactive during year ended December 31, 2006 with vested rights		201
3. Participants active during the year ended December 31, 2006		3,511
	Fully vested	2,232
	Partially vested	697
	Not vested	582

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

1. Normal cost		\$23,644,923
2. Actuarial accrued liability		1,436,277,829
	Retired participants and beneficiaries	\$807,888,106
	Inactive participants with vested rights	16,691,375
	Active participants	611,698,348
3. Actuarial value of assets (\$830,265,841 at market value)		749,352,366
4. Unfunded actuarial accrued liability		\$686,925,463

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

EXHIBIT I (continued)

Summary of Actuarial Valuation Results

The determination of the recommended contribution is as follows:

1. Total normal cost	\$23,644,923
2. Expected employee contributions	<u>-10,004,067</u>
3. Employer normal cost: (1) + (2)	\$13,640,856
4. Payment on unfunded actuarial accrued liability	50,807,728
5. Total recommended contribution: (3) + (4), adjusted for timing	<u>\$66,976,934</u>
6. Projected City contribution for next calendar year	\$69,990,896

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

EXHIBIT II

Supplementary Information Required by the GASB -- Schedule of Employer Contributions

Plan Year Ending	Annual Required Contributions	Actual Contributions	Percentage Contributed
December 31			
2002	\$35,458,646	\$30,910,000	87%
2003	38,748,328	40,699,549	105%
2004	44,791,334	37,051,528	83%
2005	49,818,392	51,785,164	104%
2006*	57,523,527	57,523,527	100%
June 30			
2007**	64,448,584	--	--
2008**			

* Includes plan and funding changes effective January 1, 2006.

** Plan Year changed from January 1 to July 1 as of July 1, 2007. Thus amounts for 2007 and beyond are as of June 30th.

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

EXHIBIT III

Supplementary Information Required by the GASB – 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)
01/01/2001	751,740,200	979,263,900	227,523,700	76.77%	153,261,900	148.45%
01/01/2002	726,180,400	1,059,876,298	333,695,898	68.52%	175,752,108	189.87%
01/01/2003	697,749,000	1,070,173,370	372,424,370	65.20%	163,462,875	227.83%
01/01/2004	681,159,269	1,110,501,349	429,342,080	61.34%	160,766,642	267.06%
01/01/2005	681,144,675	1,143,675,808	462,531,133	59.56%	157,664,615	293.36%
01/01/2006*	702,177,822	1,335,974,342	633,796,520	52.56%	152,407,546	415.86%
07/01/2007	749,352,366	1,436,277,829	686,925,463	52.2%	153,184,963	442.65%

* Includes new plan provisions.

** Not less than zero

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

EXHIBIT IV

Supplementary Information Required by the GASB

Valuation date	July 1, 2007
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percent of payroll
Remaining amortization period	17.5 years remaining as of July 1, 2007
Asset valuation method	Actuarial value from the prior year plus net new money plus 20% of the asset appreciation/(depreciation) for the current year and each of the prior four years.
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	4.50% (plus age-related salary scale)
Cost of living adjustments	3.00%
Plan membership:	
Retired participants and beneficiaries receiving benefits	3,235
Participants receiving Workers' Compensation benefits	7
Terminated vested participants	201
Active plan members	<u>3,511</u>
Total	6,954

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

EXHIBIT V
Actuarial Assumptions and Actuarial Cost Method

Mortality Rates:
Healthy: RP-2000 Combined Healthy Mortality Table
Disabled: RP-2000 Disabled Retiree Mortality Table

Mortality and Disability Rates before Retirement:

Age	Mortality				Ordinary Disability	
	Male		Female		Male	Female
	Rate (%)	Rate (%)	Rate (%)	Rate (%)	Rate (%)	Rate (%)
20	0.03	0.02	0.02	0.11	0.05	0.05
25	0.04	0.02	0.02	0.13	0.08	0.08
30	0.04	0.03	0.03	0.17	0.13	0.13
35	0.08	0.05	0.05	0.23	0.23	0.23
40	0.11	0.07	0.07	0.35	0.33	0.33
45	0.15	0.11	0.11	0.54	0.51	0.51
50	0.21	0.17	0.17	0.91	0.80	0.80
55	0.36	0.27	0.27	1.59	1.34	1.34
60	0.67	0.51	0.51	2.38	1.64	1.64

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

Termination Rates before Retirement

Age	In 1 st year of Employment	1 yr. of Service	2 yrs. of Service	3 yrs. of Service	4 yrs. of Service	5 or more yrs. of Service
25	26.25%	22.50%	18.75%	15.00%	11.25%	11.25%
30	26.25	22.50	18.75	15.00	11.25	9.18
35	26.25	22.50	18.75	15.00	11.25	6.72
40	26.25	22.50	18.75	15.00	11.25	4.92
45	26.25	22.50	18.75	15.00	11.25	3.48
50	26.25	22.50	18.75	15.00	11.25	0.00
55	22.50	18.75	15.00	11.25	0.00	0.00

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

Retirement Rates:

Age	Retirement Probability	
	<30 Years of Service	≥30 Years of Service
50-54	2%	10%
55	15	22.5
56-59	10	15
60	40	40
61-64	20	20
65-69	30	30
70	100	100

Percent Married:

75%

Age of Spouse:

Females are assumed to be 3 years younger than their male spouses.

Net Investment Return:

8.00%; the investment return rate is assumed to be net of investment and administrative expenses.

Salary Increases:

Age	Rate (%)
25	9.00
30	8.25
35	7.50
40	6.75
45	6.00
50	5.25

Above rates include 4.50% inflation.

Retirement benefits are increased by 4% to reflect vacation pay.

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

Cost of Living Adjustment: 3.00%, compounded annually.

Actuarial Value of Assets: Actuarial value from the prior year, plus net new money, plus 20% of the asset appreciation/(depreciation) for the current year and each of the prior four years.

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

Changes in Assumptions: The mortality table changed from 110% of the 1983 Group Annuity Mortality Table to the RP-2000 Combined Healthy Mortality Table.

The mortality table for disabled lives was changes from 110% of the 1983 Group Annuity Mortality Table set forward 10 years, to the RP-2000 Disabled Retiree Mortality Table.

The assumption for active participants who terminate and receive a refund of their contributions has been changed from 100% to 50%. The other 50% is assumed to receive a deferred vested benefit.

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

EXHIBIT VI

Summary of Plan Provisions

This exhibit summarizes the major provisions of the General Employees of the City of Atlanta 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 \$12 per month for each year of service, 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 (no reduction in benefit for providing survivor coverage).

Early Pension:

Service Requirement

15 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.

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

Disability:

Service Requirement

Monthly Amount

5 years credited service for non-job-related disability. None for job related disability. 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 include years while disabled as years of service.

Vesting Schedule:

An employee who terminates employment may receive a percentage of the accrued benefit payable at normal retirement 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	100
11	100
12	100
13	100
14	100
15 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 their own contributions with interest. A refund will cause the forfeiture of any other vested accrued benefit from the Plan.

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

Death Benefits:

If a participant dies prior to attainment of eligibility for retirement, a lump sum of contributions with interest is payable to a 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 City of Atlanta, excluding temporary employees, firefighters, police officers, and employees of the Atlanta Board of Education covered by the Georgia Teachers' Retirement System. Effective September 1, 2005, new employees will participate in this plan.

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.

Note: The City of Atlanta currently pays 1% of the employee contribution rates shown above for City employees.

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%.

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

Changes in Plan Provisions: None.

Change in Plan Year: With this valuation the Plan Year changed from January 1 through December 31 to July 1 through June 30.

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