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EMPLOYEES'
RETIREMENT SYSTEM
OF GEORGIA

GASB STATEMENT NO. 68 REPORT

FOR THE

GEORGIA PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM

PREPARED AS OF JUNE 30, 2023





Cavanaugh Macdonald

CONSULTING, LLC

The experience and dedication you deserve

March 6, 2024

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

Members of the Board:

Presented in this report is information to assist the Georgia Public School Employees Retirement System (PSERS) in meeting the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 68 and to identify the information to be provided by the actuary, Cavanaugh Macdonald Consulting (CMC). The information is presented for the period ending June 30, 2023 (the Measurement Date).

GASB Statement No. 68 established accounting and financial reporting requirements for governmental employers that provide pension benefits to their employees through a trust.

The annual actuarial valuation used as a basis for much of the information presented in this report, including the Net Pension Liability (Asset), was performed as of June 30, 2022. The valuation was based upon data furnished by the Retirement System staff, for active, inactive and retired members along with pertinent financial information.

In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results.

The actuarial calculations were performed by qualified actuaries according to generally accepted actuarial procedures and methods. The calculations are based on the current provisions of the System, and on actuarial assumptions that are internally consistent and individually reasonable based on the actual experience of the System. In addition, the calculations were completed in compliance with the laws governing the System and, in our opinion, meet the requirements of GASB 68. The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Board of Trustees
March 6, 2024
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These results are only for financial reporting and may not be appropriate for funding purposes or other types of analysis. Calculations for purposes other than satisfying the requirements of GASB 67 and GASB 68 may produce significantly different results. Future actuarial results may differ significantly from the current results presented in this report due to such factors as changes in plan experience or changes in economic or demographic assumptions.

Sincerely yours,

A handwritten signature in blue ink that reads 'Edward J. Koebel'.

Edward J. Koebel, EA, FCA, MAAA
Chief Executive Officer

A handwritten signature in blue ink that reads 'Cathy Turcot'.

Cathy Turcot
Principal and Managing Director

A handwritten signature in blue ink that reads 'Ben Mobley'.

Ben Mobley, ASA, FCA, MAAA
Consulting Actuary



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Section I - Introduction

**REPORT OF THE ANNUAL GASB STATEMENT NO. 68
REQUIRED INFORMATION FOR THE
EMPLOYERS PARTICIPATING IN THE
GEORGIA PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM**

PREPARED AS OF JUNE 30, 2023

The Governmental Accounting Standards Board issued Statement No. 68 (GASB 68), “*Accounting and Financial Reporting For Pensions*” in June 2012. The Georgia Public School Employees Retirement System (PSERS) is a cost-sharing multiple employer defined benefit pension plan.

This report, prepared as of June 30, 2023 (the Measurement Date), presents information to assist the employers participating in PSERS in meeting the requirements of GASB 68 for the fiscal year ending June 30, 2024 (Reporting Date). Much of the material provided in this report is based on the data, assumptions and results of the annual actuarial valuation of PSERS as of June 30, 2022. The results of that valuation were detailed in a report dated April 20, 2023.

The Net Pension Liability (Asset) (NPL) shown in the GASB Statement No. 67 Report for the Georgia Public School Employees Retirement System prepared as of June 30, 2023 and submitted August 24, 2023 is the collective NPL used for purposes of GASB 68. Please refer to that report for the derivation of the collective NPL.

Pension Expense (PE) includes amounts for service cost (the normal cost under the Entry Age Normal actuarial cost method for the year), interest on the Total Pension Liability (TPL), changes in benefit structure, amortization of increases/decreases in liability due to actuarial experience and actuarial assumption changes, and amortization of investment gains/losses. The actuarial experience and assumption change impacts are amortized over the average expected remaining service life of the Plan membership as of the Measurement Date, and investment gains/losses are amortized over five years. The development of the collective PE is shown in Section IV.

The unamortized portions of each year’s experience, assumption changes and investment gains/losses are used to develop deferred inflows and outflows, which also must be included in the employer’s and nonemployer contributing entities’ financial statements. The development of the collective deferred inflows and outflows is shown in Section III.

These collective amounts have been allocated based on employer contributions made to PSERS during the measurement period to determine the proportionate share associated with each participating employer. The State makes all contributions to PSERS on behalf of employees of the participating districts. Therefore, these employers are considered to be in a special funding situation as defined by GASB 68 and the State is treated as a nonemployer contributing entity in PSERS. Since the districts do not contribute directly to the PSERS, there is no NPL or deferred inflows or outflows to report in the financial statements of the districts. However, the notes to the financial statements must disclose the portion of the nonemployer contributing entities’ total proportionate share of the collective NPL that is associated with the employer. In addition, each district must recognize the total PE associated with the district as well as revenue in an





Section I - Introduction

amount equal to the nonemployer contributing entities' total proportionate share of the collective PE associated with the district.

Schedule A of this report shows the total amount of nonemployer contributions from the State as support provided to the districts for the year ending June 30, 2023. Schedule A also shows the proportionate share percentages that have been determined based on these contributions.

Based on these percentages we have determined the proportionate share amounts of the NPL associated with each participating employer and the employer PE and revenue for State support for each participating employer. These amounts are shown in Schedule B.

Section II of this report is a summary of the principal results of the collective amounts under GASB 68. Section III provides the results of all the necessary calculations, presented in the order laid out in GASB 68 for note disclosure and Section V shows the Required Supplementary Information (RSI).





Section II – Summary of Collective Amounts

(\$ IN THOUSANDS)

	2023
Valuation Date (VD):	June 30, 2022
Measurement Date (MD):	June 30, 2023
Reporting Date (RD):	June 30, 2024
Single Equivalent Interest Rate (SEIR):	
Long-Term Expected Rate of Return	7.00%
Municipal Bond Index Rate at Measurement Date	3.66%
Fiscal Year in which Plan's Fiduciary Net Position is projected to be depleted from future benefit payments for current members	N/A
Single Equivalent Interest Rate	7.00%
Net Pension Liability (Asset):	
Total Pension Liability (TPL)	\$ 1,288,530
Fiduciary Net Position (FNP)	<u>1,103,900</u>
Net Pension Liability (Asset) (NPL = TPL – FNP)	\$ 184,630
FNP as a percentage of TPL	85.67%
Collective Pension Expense (PE):	\$ 33,323
Deferred Outflows of Resources:	\$ 18,439
Deferred Inflows of Resources:	\$ 9,789





Section III – Notes to Financial Statements

The material presented herein will follow the order presented in GASB 68. Paragraph numbers are provided for ease of reference. Amounts are shown in aggregate. Please refer to Schedule B of this report for the proportionate share of certain pension amounts as required by GASB 68.

Paragraphs 77 and 78(a)-(f): These paragraphs require information to be disclosed regarding the actuarial assumptions used to measure the TPL. The complete set of actuarial assumptions utilized in developing the TPL are outlined in Schedule D. The key actuarial assumptions are summarized below:

Inflation	2.50 percent
Salary increases, including inflation	N/A
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation
Post-Retirement Benefit Increases	1.50 percent, semi-annually

Mortality rates are as follows:

- The Pub-2010 Below-Median General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.
- The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for post-retirement mortality assumptions as follows:

Participant Type	Membership Table	Set Forward (+)/ Setback (-)	Adjustment to Rates
Service Retirees	General Healthy Below-Median Annuitant	Male: +2; Female: +2	Male: 101%; Female: 103%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Below-Median Contingent Survivors	Male: +2; Female: +2	Male: 104%; Female: 99%

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019. In the experience study, the long-term assumed investment rate of return that was recommended by the actuary and adopted by the Board was 7.00%. Based on the funding policy adopted by the Board, the assumed investment rate of return used in the funding valuation will be reduced by 0.10% (10 basis points) from the immediate prior actuarial valuation, if the actual rate of return for the fiscal year ending with the current valuation date exceeds the assumed rate of return from the immediate prior actuarial valuation, until the rate reaches the long-term assumed investment rate of return. However, for GASB purposes, the Total Pension Liability (TPL) will be based on the long-term assumed investment rate of return of 7.00%.





Section III – Notes to Financial Statements

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return as provided by the System for each major asset class are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Fixed Income	30.0%	0.9%
US Large Stocks	46.3%	9.4%
US Small Stocks	1.2%	13.4%
Int'l Developed Mkt Stocks	12.3%	9.4%
Int'l Emerging Mkt Stocks	5.2%	11.4%
Alternatives	5.0%	10.5%
Total	100.0%	

*Net of inflation.

Discount rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that nonemployer contributions will be made equal to the actuarially determined employer contribution. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.





Section III – Notes to Financial Statements

Paragraph 78 (g): This paragraph requires disclosure of the sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the System, calculated using the discount rate of 7.00 percent, as well as what the System’s net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate_(\$ thousands):

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
System’s Net Pension Liability (Asset)	\$332,675	\$184,630	\$60,973

Paragraph 80(a): This paragraph requires disclosure of the employer’s proportionate share of the collective NPL and if an employer has a special funding situation the portion of the nonemployer contributing entities’ proportional share of the collective NPL that is associated with the employer. These amounts are shown in Schedule B.

Paragraph 80(b): This paragraph requires disclosure of the employer’s proportion (percentage) of the collective NPL and the changes in proportion since the prior measurement date. 100% of the collective NPL is allocated to the State.

Paragraph 80(c): June 30, 2022 is the actuarial valuation date upon which the TPL is based. An expected TPL is determined as of June 30, 2023 using standard roll forward techniques. The procedure used to determine the TPL as of June 30, 2023 is shown on page 6 of the GASB 67 report for PSERS submitted on August 24, 2023.

Paragraph 80(d): There were no changes in the assumptions that affected the measurement of the TPL since the prior measurement date.

Paragraph 80(e): Since the previous measurement date, the monthly benefit accrual rate has been increased from \$15.75 to \$16.00 per year of creditable service effective July 1, 2022 for members retiring on or after August 1, 2012.

Paragraph 80(f): Not applicable.

Paragraph 80(g): Please see Section IV of this report for the development of the collective pension expense. The PE for each employer is shown in Schedule B.





Section III – Notes to Financial Statements

Paragraph 80(h): Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce collective pension expense they are labeled deferred inflows. If the amounts will increase collective pension expense they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average expected remaining service life of the active and inactive Plan members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five-year period.

The table below provides a summary of the collective deferred inflows and outflows as of the Measurement Date. 100% of these amounts are allocated to the State.

	Collective Deferred Outflows of Resources (\$ thousands)	Collective Deferred Inflows of Resources (\$ thousands)
Differences between expected and actual experience	\$0	\$9,789
Changes of actuarial assumptions	0	0
Net difference between projected and actual earnings on plan investments	<u>18,439</u>	<u>0</u>
Total	<u>\$18,439</u>	<u>\$9,789</u>

The following tables show the components of the collective deferred outflows of resources and the collective deferred inflows of resources by year.





Section III – Notes to Financial Statements

Collective Deferred Outflows and Inflows for Differences between Expected and Actual Experience (\$ thousands)											
Year	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amortization Period	Beginning Balance Deferred Outflows (a)	Beginning Balance Deferred Inflows (b)	Losses / Deferred Outflows (c)	Gains / Deferred Inflows (d)	Amounts Recognized in Pension Expense / Deferred Outflow (e)	Amounts Recognized in Pension Expense / Deferred Inflow (f)	Ending Balance Deferred Outflows (a) + (c) - (e)	Ending Balance Deferred Inflows (b) + (d) - (f)
2023	\$0	\$20,666	1.9	\$0	\$0	\$0	\$20,666	\$0	\$10,877	\$0	\$9,789
2022	0	5,427	2.0	0	2,713	0	0	0	2,713	0	0
2021	0	12,739	2.1	0	607	0	0	0	607	0	0
2020	0	12,220	2.2	0	0	0	0	0	0	0	0
2019	0	8,159	2.3	0	0	0	0	0	0	0	0
Total				<u>\$0</u>	<u>\$3,320</u>	<u>\$0</u>	<u>\$20,666</u>			<u>\$0</u>	<u>\$9,789</u>





Section III – Notes to Financial Statements

Collective Deferred Outflows and Inflows for Differences from Assumption Changes (\$ thousands)											
Year	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amortization Period	Beginning Balance Deferred Outflows (a)	Beginning Balance Deferred Inflows (b)	Losses / Deferred Outflows (c)	Gains / Deferred Inflows (d)	Amounts Recognized in Pension Expense / Deferred Outflow (e)	Amounts Recognized in Pension Expense / Deferred Inflow (f)	Ending Balance Deferred Outflows (a) + (c) - (e)	Ending Balance Deferred Inflows (b) + (d) - (f)
2023	\$0	\$0	1.9	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2022	0	0	2.0	0	0	0	0	0	0	0	0
2021	74,759	0	2.1	3,559	0	0	0	3,559	0	0	0
2020	0	0	2.2	0	0	0	0	0	0	0	0
2019	0	0	2.3	0	0	0	0	0	0	0	0
Total				<u>\$3,559</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>			<u>\$0</u>	<u>\$0</u>





Section III – Notes to Financial Statements

Collective Deferred Outflows and Inflows for Differences in Investment Experience (\$ thousands)											
Year	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amortization Period	Beginning Balance Deferred Outflows (a)	Beginning Balance Deferred Inflows (b)	Losses / Deferred Outflows (c)	Gains / Deferred Inflows (d)	Amounts Recognized in Pension Expense / Deferred Outflow (e)	Amounts Recognized in Pension Expense / Deferred Inflow (f)	Ending Balance Deferred Outflows (a) + (c) - (e)	Ending Balance Deferred Inflows (b) + (d) - (f)
2023	\$0	\$42,492	5.0	\$0	\$0	\$0	\$42,492	\$0	\$8,498	\$0	\$33,994
2022	220,897	0	5.0	176,718	0	0	0	44,179	0	132,539	0
2021	0	209,066	5.0	0	125,440	0	0	0	41,813	0	83,627
2020	17,609	0	5.0	7,043	0	0	0	3,522	0	3,521	0
2019	4,971	0	5.0	995	0	0	0	995	0	0	0
Total				<u>\$184,756</u>	<u>\$125,440</u>	<u>\$0</u>	<u>\$42,492</u>			<u>\$136,060</u>	<u>\$117,621</u>
Net difference between projected and actual earnings on investments										\$18,439	





Section III – Notes to Financial Statements

Summary of Collective Deferred Outflows and Inflows (\$ thousands)

Year	Amortization Period	Beginning Balance	Additions	Deductions	Ending Balance
Deferred Outflows of Resources:					
Difference between expected and actual experience					
2023	1.9	\$0	\$0	\$0	\$0
2022	2.0	0	0	0	0
2021	2.1	0	0	0	0
2020	2.2	0	0	0	0
2019	2.3	0	0	0	0
Difference between expected and actual assumptions					
2023	1.9	\$0	\$0	\$0	\$0
2022	2.0	0	0	0	0
2021	2.1	3,559	0	3,559	0
2020	2.2	0	0	0	0
2019	2.3	0	0	0	0
Difference between projected and actual earnings					
2023	5.0	\$0	(\$42,492)	(\$8,498)	(\$33,994)
2022	5.0	176,718	0	44,179	132,539
2021	5.0	(125,440)	0	(41,813)	(83,627)
2020	5.0	7,043	0	3,522	3,521
2019	5.0	995	0	995	0
Subtotal					\$18,439
Total Deferred Outflows of Resources		\$62,875	(\$42,492)	\$1,944	\$18,439
Deferred Inflows of Resources:					
Difference between expected and actual experience					
2023	1.9	\$0	\$20,666	\$10,877	\$9,789
2022	2.0	2,713	0	2,713	0
2021	2.1	607	0	607	0
2020	2.2	0	0	0	0
2019	2.3	0	0	0	0
Difference between expected and actual assumptions					
2023	1.9	\$0	\$0	\$0	\$0
2022	2.0	0	0	0	0
2021	2.1	0	0	0	0
2020	2.2	0	0	0	0
2019	2.3	0	0	0	0
Difference between projected and actual earnings					
2023	5.0	\$0	\$0	\$0	\$0
2022	5.0	0	0	0	0
2021	5.0	0	0	0	0
2020	5.0	0	0	0	0
2019	5.0	0	0	0	0
Difference between projected and actual earnings					\$0
Total Deferred Inflows of Resources		\$3,320	\$20,666	\$14,197	\$9,789





Section III – Notes to Financial Statements

Paragraph 80(i): Collective amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the collective pension expense as follows. 100% of these amounts are allocated to the State.

Deferred Amounts to be Recognized in Fiscal Years Following the Reporting Date (\$ thousands):	
Year 1	\$(12,400)
Year 2	(6,133)
Year 3	35,683
Year 4	(8,500)
Year 5	0
Thereafter	0

Paragraph 80(j): The amount of revenue recognized for the support provided by nonemployer contributing entities for the participating employers is provided in Schedule B.





Section IV – Collective Pension Expense

As noted earlier, the collective Pension Expense (PE) consists of a number of different items. GASB 68 refers to the first as Service Cost which is the Normal Cost using the Entry Age Normal actuarial funding method. The second item is interest on the beginning Total Pension Liability (TPL) and the cash flow during the year at the 7.00% rate of return in effect as of the previous measurement date.

The next three items refer to any changes that occurred in the TPL due to:

- benefit changes, or
- actual versus expected experience, or
- changes in actuarial assumptions.

Benefit changes, which are reflected immediately in PE, can be positive, if there is a benefit improvement for existing Plan members, or negative if there is a benefit reduction. For the year ended June 30, 2023, the PE recognizes the monthly benefit accrual rate increase from \$15.75 to \$16.00 per year of creditable service for members retiring on or after August 1, 2012.

The next item to be recognized is the portion of current year changes in TPL due to actual versus expected Plan experience for the year. The portion to recognize in the current year is determined by spreading the total change over the average expected remaining service life of the entire Plan membership determined at the beginning of the year. The average expected remaining service life of active members is the average number of years the active members are expected to remain active. For the year ended June 30, 2023 this number of years for the active members is 6.3. The average expected remaining service life of the inactive members is zero. The number of years to use for the amortization is the weighted average for all active and inactive members, or 1.9 years.

The last item under changes in TPL are changes in actuarial assumptions. The portion to recognize in the current year is determined by spreading the total change over the average expected remaining service life of the entire Plan membership, or 1.9 years.

Member contributions for the year and projected earnings on the Fiduciary Net Position (FNP), again at the discount rate used to calculate the liabilities, are subtracted from the amount determined thus far. One-fifth of current period differences between projected and actual investment earnings on the FNP are recognized in the pension expense.

The current year portions of previously determined experience, assumption and earnings amounts, recognized as deferred outflows and inflows (see Section III) are included also. Deferred outflows are added to the PE while deferred inflows are subtracted from the PE. Finally, administrative expenses and other miscellaneous items are included.





Section IV – Collective Pension Expense

The calculation of the Collective Pension Expense determined as of the measurement date is shown in the following table:

Collective Pension Expense Determined as of the Measurement Date (\$ thousands)	
Service Cost at end of year	\$14,292
Interest on the TPL and net cash flow	85,960
Current-period benefit changes	16,566
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(10,877)
Expensed portion of current-period changes of assumptions	0
Member contributions	(2,347)
Projected earnings on plan investments	(70,596)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(8,498)
Administrative expense	1,701
Other	0
Recognition of beginning deferred outflows and inflows of resources as pension expense	<u>7,122</u>
Collective Pension Expense	<u>\$33,323</u>





Section V – Required Supplementary Information

Paragraph 82:

Changes of benefit terms.

The member contribution rate was increased from \$4 to \$10 per month for members joining the System on or after July 1, 2012.

The monthly benefit accrual rate was increased from \$14.75 to \$15.00 per year of creditable service effective July 1, 2017.

The monthly benefit accrual rate was increased from \$15.00 to \$15.25 per year of creditable service effective July 1, 2018 for members retiring on or after August 1, 2012.

The monthly benefit accrual rate was increased from \$15.25 to \$15.50 per year of creditable service effective July 1, 2019 for members retiring on or after August 1, 2012.

The monthly benefit accrual rate was increased from \$15.50 to \$15.75 per year of creditable service effective July 1, 2021 for members retiring on or after August 1, 2012.

The monthly benefit accrual rate was increased from \$15.75 to \$16.00 per year of creditable service effective July 1, 2022 for members retiring on or after August 1, 2012.

Changes of assumptions.

On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, and withdrawal. The expectation of retired life mortality was changed from the RP-2000 Mortality Tables to the RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB (set forward 3 years for males and 2 years for females).

A new funding policy was initially adopted by the Board on March 15, 2018, and most recently amended on December 17, 2020. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation and further reduced from 7.40% to 7.30% for the June 30, 2018 actuarial valuation.

On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System based on the experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rates of mortality, retirement, disability, and withdrawal. This also included a change to the long-term assumed investment rate of return to 7.00%. These assumption changes were first reflected in the calculation of the June 30, 2021 Total Pension Liability.





Section V – Required Supplementary Information

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported (June 30, 2023 employer contributions are based on June 30, 2020 valuation). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	19.1 years
Asset valuation method	5-year smoothed fair value
Inflation	2.50 percent
Salary increase	N/A
Investment rate of return	7.30 percent, net of pension plan investment expense, including inflation
Post-Retirement Benefit Increases	1.50 percent, semi-annually





Schedule A – Schedule of Employer Allocations

As of June 30, 2023

Employers	2023 State Pension Support Provided To The Districts	Employer Allocation Percentage
Appling County Schools	\$ 75,756	0.215325%
Atkinson County Schools	38,960	0.110739%
Bacon County Schools	41,125	0.116891%
Baker County Schools	9,740	0.027685%
Baldwin County Schools	112,551	0.319911%
Banks County Schools	70,345	0.199945%
Barrow County Schools	305,187	0.867452%
Bartow County Schools	318,174	0.904365%
Ben Hill County Schools	68,180	0.193792%
Berrien County Schools	62,769	0.178412%
Bibb County Schools	575,743	1.636470%
Bleckley County Schools	91,989	0.261466%
Brantley County Schools	89,825	0.255314%
Brooks County Schools	62,769	0.178412%
Bryan County Schools	239,171	0.679812%
Bulloch County Schools	273,803	0.778246%
Burke County Schools	146,100	0.415270%
Butts County Schools	88,742	0.252238%
Calhoun County Schools	19,480	0.055369%
Camden County Schools	191,554	0.544465%
Candler County Schools	43,289	0.123043%
Carroll County Schools	268,392	0.762866%
Catoosa County Board of Education	303,023	0.861300%
Charlton County Schools	40,042	0.113815%
Chatham County Schools	899,328	2.556215%
Chattahoochee County Schools	17,316	0.049217%
Chattooga County Schools	64,933	0.184564%
Cherokee County Schools	690,458	1.962533%
Clarke County Schools	436,136	1.239657%
Clay County Schools	12,987	0.036913%
Clayton County Schools	1,129,842	3.211420%
Clinch County Schools	27,056	0.076902%
Cobb County Schools	2,240,203	6.367469%
Coffee County Schools	155,840	0.442954%
Colquitt County Schools	169,909	0.482943%
Columbia County Schools	654,745	1.861023%
Cook County Schools	88,742	0.252238%





Schedule A – Schedule of Employer Allocations

Employers	2023 State Pension Support Provided To The Districts	Employer Allocation Percentage
Coweta County Schools	\$ 665,567	1.891784%
Crawford County Schools	48,700	0.138423%
Crisp County Schools	111,469	0.316835%
Dade County Schools	44,371	0.126119%
Dawson County Schools	96,318	0.273770%
Decatur County Schools	140,689	0.399889%
Dekalb County Schools	1,911,207	5.432344%
Dodge County Schools	68,180	0.193792%
Dooly County Schools	32,467	0.092282%
Dougherty County Schools	370,120	1.052016%
Douglas County Schools	482,672	1.371928%
Early County Schools	48,700	0.138423%
Echols County Schools	7,575	0.021532%
Effingham County Schools	229,431	0.652127%
Elbert County Schools	73,591	0.209173%
Emanuel County Schools	104,976	0.298379%
Evans County Schools	36,795	0.104586%
Fannin County Schools	81,167	0.230705%
Fayette County Schools	387,436	1.101234%
Floyd County Schools	138,525	0.393737%
Forsyth County Schools	1,048,675	2.980714%
Franklin County Schools	82,249	0.233781%
Gilmer County Schools	103,894	0.295303%
Glascock County Schools	18,398	0.052293%
Glynn County Schools	379,860	1.079701%
Gordon County Schools	121,209	0.344520%
Grady County Schools	63,851	0.181488%
Greene County Schools	53,029	0.150727%
Gwinnett County Schools	3,955,527	11.243043%
Habersham County Schools	218,609	0.621366%
Hall County Schools	493,494	1.402688%
Hancock County Schools	48,700	0.138423%
Haralson County Schools	58,440	0.166108%
Harris County Schools	123,373	0.350672%
Hart County Schools	116,880	0.332216%
Heard County Schools	44,371	0.126119%
Henry County Schools	509,727	1.448830%
Houston County Schools	879,848	2.500846%
Irwin County Schools	24,891	0.070750%





Schedule A – Schedule of Employer Allocations

Employers	2023 State Pension Support Provided To The Districts	Employer Allocation Percentage
Jackson County Schools	\$ 259,734	0.738257%
Jasper County Schools	70,345	0.199945%
Jeff Davis County Schools	95,236	0.270694%
Jefferson County Schools	79,002	0.224553%
Jenkins County Schools	27,056	0.076902%
Johnson County Schools	30,302	0.086130%
Jones County Schools	141,771	0.402965%
Lamar County Schools	63,851	0.181488%
Lanier County Schools	36,795	0.104586%
Laurens County Schools	179,649	0.510628%
Lee County Schools	150,429	0.427574%
Liberty County Schools	261,898	0.744409%
Lincoln County Schools	49,782	0.141499%
Long County Schools	98,482	0.279922%
Lowndes County Schools	242,418	0.689040%
Lumpkin County Schools	96,318	0.273770%
Macon County Schools	41,125	0.116891%
Madison County Schools	109,304	0.310683%
Marion County Schools	44,371	0.126119%
Mcduffie County Schools	137,442	0.390661%
Mcintosh County Schools	28,138	0.079978%
Meriwether County Schools	85,496	0.243010%
Miller County Schools	25,973	0.073826%
Mitchell County Schools	47,618	0.135347%
Monroe County Schools	151,511	0.430650%
Montgomery County Schools	35,713	0.101510%
Morgan County Schools	77,920	0.221477%
Murray County Schools	108,222	0.307607%
Muscogee County Schools	680,719	1.934849%
Newton County Schools	439,383	1.248885%
Oconee County Schools	158,004	0.449106%
Oglethorpe County Schools	68,180	0.193792%
Paulding County Schools	638,512	1.814882%
Peach County Schools	113,633	0.322987%
Pickens County Schools	89,825	0.255314%
Pierce County Schools	88,742	0.252238%
Pike County Schools	59,522	0.169184%
Polk County Schools	187,225	0.532160%
Pulaski County Schools	37,878	0.107662%





Schedule A – Schedule of Employer Allocations

Employers	2023 State Pension Support Provided To The Districts	Employer Allocation Percentage
Putnam County Schools	\$ 102,811	0.292227%
Quitman County Schools	11,905	0.033837%
Rabun County Schools	73,591	0.209173%
Randolph County Schools	24,891	0.070750%
Richmond County Schools	736,994	2.094805%
Rockdale County Schools	371,202	1.055092%
Schley County Schools	24,891	0.070750%
Screven County Schools	48,700	0.138423%
Seminole County Schools	28,138	0.079978%
Spalding County Schools	247,829	0.704420%
Stephens County Schools	113,633	0.322987%
Stewart County Schools	14,069	0.039989%
Sumter County Schools	146,100	0.415270%
Talbot County Schools	20,562	0.058445%
Taliaferro County Schools	7,575	0.021532%
Tattnall County Schools	95,236	0.270694%
Taylor County Schools	37,878	0.107662%
Telfair County Schools	44,371	0.126119%
Terrell County Schools	47,618	0.135347%
Thomas County Schools	161,251	0.458335%
Tift County Schools	83,331	0.236857%
Toombs County Schools	59,522	0.169184%
Towns County Schools	41,125	0.116891%
Treutlen County Schools	21,644	0.061521%
Troup County Schools	353,887	1.005875%
Turner County Schools	30,302	0.086130%
Twiggs County Schools	23,809	0.067674%
Union County Schools	87,660	0.249162%
Upson County Schools	155,840	0.442954%
Walker County Schools	259,734	0.738257%
Walton County Schools	364,709	1.036636%
Ware County Schools	151,511	0.430650%
Warren County Schools	19,480	0.055369%
Washington County Board of Education	54,111	0.153804%
Wayne County Schools	126,620	0.359900%
Webster County Schools	2,164	0.006152%
Wheeler County Schools	32,467	0.092282%
White County Board of Education	97,400	0.276846%
Whitfield County Schools	196,965	0.559845%





Schedule A – Schedule of Employer Allocations

Employers	2023 State Pension Support Provided To The Districts	Employer Allocation Percentage
Wilcox County Schools	\$ 31,384	0.089206%
Wilkes County Schools	67,098	0.190716%
Wilkinson County Schools	44,371	0.126119%
Worth County Schools	61,687	0.175336%
City of Bremen Schools (Haralson)	20,562	0.058445%
City of Buford Schools (Gwinnett)	119,045	0.338368%
City of Calhoun Schools (Gordon)	34,631	0.098434%
City of Carrollton Schools (Carroll)	123,373	0.350672%
City of Cartersville Schools (Bartow)	61,687	0.175336%
City of Chickamauga Schools (West)	23,809	0.067674%
City of Commerce Schools (Jackson)	24,891	0.070750%
City of Dalton Schools (Whitfield)	79,002	0.224553%
City of Decatur Schools (DeKalb)	96,318	0.273770%
City of Dublin Schools (Laurens)	57,358	0.163032%
City of Gainesville Schools (Hall)	113,633	0.322987%
City of Jefferson Schools (Jackson)	51,947	0.147651%
City of Marietta Schools (Cobb)	111,469	0.316835%
City of Pelham Schools (Mitchell)	23,809	0.067674%
City of Rome Schools (Floyd)	162,334	0.461411%
City of Social Circle Schools (Walton)	41,125	0.116891%
City of Thomasville Schools (Thomas)	27,056	0.076902%
City of Trion Schools (Chattooga)	23,809	0.067674%
City of Valdosta Schools (Lowndes)	179,649	0.510628%
City of Vidalia Schools (Toomb)	47,618	0.135347%
Scintilla Charter Academy	4,329	0.012304%
Southwest Georgia Stem Charter School	5,411	0.015380%
School for Arts Infused Learning	4,329	0.012304%
Furlow Charter School	5,411	0.015380%
Georgia Magnet Charter School	1,082	0.003076%
Georgia Military College	67,098	0.190716%
Kipp Metro Atlanta Collaborative Inc	56,276	0.159956%
The Globe Academy	<u>2,164</u>	<u>0.006152%</u>
Total State of Georgia	\$ <u>35,182,000</u>	<u>100.000000%</u>





Schedule B – Schedule of Pension Amounts by Employer

As of June 30, 2023

Employers	State's Proportionate Share Of the Net Pension Liability (Asset) Associated with the District	Employer Pension Expense and Revenue for State Support
Appling County Schools	\$ 397,555	\$ 71,753
Atkinson County Schools	204,457	36,902
Bacon County Schools	215,816	38,952
Baker County Schools	51,115	9,225
Baldwin County Schools	590,652	106,604
Banks County Schools	369,158	66,628
Barrow County Schools	1,601,577	289,061
Bartow County Schools	1,669,729	301,362
Ben Hill County Schools	357,798	64,577
Berrien County Schools	329,402	59,452
Bibb County Schools	3,021,415	545,321
Bleckley County Schools	482,745	87,128
Brantley County Schools	471,386	85,078
Brooks County Schools	329,402	59,452
Bryan County Schools	1,255,137	226,534
Bulloch County Schools	1,436,876	259,335
Burke County Schools	766,713	138,380
Butts County Schools	465,707	84,053
Calhoun County Schools	102,228	18,451
Camden County Schools	1,005,246	181,432
Candler County Schools	227,174	41,002
Carroll County Schools	1,408,479	254,210
Catoosa County Board of Education	1,590,218	287,011
Charlton County Schools	210,137	37,927
Chatham County Schools	4,719,540	851,808
Chattahoochee County Schools	90,869	16,401
Chattooga County Schools	340,761	61,502
Cherokee County Schools	3,623,425	653,975
Clarke County Schools	2,288,779	413,091
Clay County Schools	68,152	12,301
Clayton County Schools	5,929,245	1,070,141
Clinch County Schools	141,984	25,626
Cobb County Schools	11,756,258	2,121,831
Coffee County Schools	817,826	147,606
Colquitt County Schools	891,658	160,931
Columbia County Schools	3,436,007	620,149
Cook County Schools	465,707	84,053





Schedule B – Schedule of Pension Amounts by Employer

Employers	State's Proportionate Share Of the Net Pension Liability (Asset) Associated with the District		Employer Pension Expense and Revenue for State Support
Coweta County Schools	\$	3,492,801	\$ 630,399
Crawford County Schools		255,570	46,127
Crisp County Schools		584,972	105,579
Dade County Schools		232,854	42,027
Dawson County Schools		505,462	91,228
Decatur County Schools		738,315	133,255
Dekalb County Schools		10,029,737	1,810,220
Dodge County Schools		357,798	64,577
Dooly County Schools		170,380	30,751
Dougherty County Schools		1,942,337	350,563
Douglas County Schools		2,532,991	457,168
Early County Schools		255,570	46,127
Echols County Schools		39,755	7,175
Effingham County Schools		1,204,022	217,308
Elbert County Schools		386,196	69,703
Emanuel County Schools		550,897	99,429
Evans County Schools		193,097	34,851
Fannin County Schools		425,951	76,878
Fayette County Schools		2,033,208	366,964
Floyd County Schools		726,957	131,205
Forsyth County Schools		5,503,292	993,263
Franklin County Schools		431,630	77,903
Gilmer County Schools		545,218	98,404
Glascocock County Schools		96,549	17,426
Glynn County Schools		1,993,452	359,789
Gordon County Schools		636,087	114,804
Grady County Schools		335,081	60,477
Greene County Schools		278,287	50,227
Gwinnett County Schools		20,758,029	3,746,518
Habersham County Schools		1,147,228	207,058
Hall County Schools		2,589,783	467,418
Hancock County Schools		255,570	46,127
Haralson County Schools		306,685	55,352
Harris County Schools		647,446	116,854
Hart County Schools		613,370	110,704
Heard County Schools		232,854	42,027
Henry County Schools		2,674,975	482,794
Houston County Schools		4,617,312	833,357
Irwin County Schools		130,626	23,576





Schedule B – Schedule of Pension Amounts by Employer

Employers	State's Proportionate Share Of the Net Pension Liability (Asset) Associated with the District		Employer Pension Expense and Revenue for State Support
Jackson County Schools	\$	1,363,044	\$ 246,009
Jasper County Schools		369,158	66,628
Jeff Davis County Schools		499,782	90,203
Jefferson County Schools		414,592	74,828
Jenkins County Schools		141,984	25,626
Johnson County Schools		159,022	28,701
Jones County Schools		743,994	134,280
Lamar County Schools		335,081	60,477
Lanier County Schools		193,097	34,851
Laurens County Schools		942,772	170,157
Lee County Schools		789,430	142,480
Liberty County Schools		1,374,402	248,059
Lincoln County Schools		261,250	47,152
Long County Schools		516,820	93,278
Lowndes County Schools		1,272,175	229,609
Lumpkin County Schools		505,462	91,228
Macon County Schools		215,816	38,952
Madison County Schools		573,614	103,529
Marion County Schools		232,854	42,027
Mcduffie County Schools		721,277	130,180
Mcintosh County Schools		147,663	26,651
Meriwether County Schools		448,669	80,978
Miller County Schools		136,305	24,601
Mitchell County Schools		249,891	45,102
Monroe County Schools		795,109	143,505
Montgomery County Schools		187,418	33,826
Morgan County Schools		408,913	73,803
Murray County Schools		567,935	102,504
Muscogee County Schools		3,572,312	644,750
Newton County Schools		2,305,816	416,166
Oconee County Schools		829,184	149,656
Oglethorpe County Schools		357,798	64,577
Paulding County Schools		3,350,817	604,773
Peach County Schools		596,331	107,629
Pickens County Schools		471,386	85,078
Pierce County Schools		465,707	84,053
Pike County Schools		312,364	56,377
Polk County Schools		982,527	177,332
Pulaski County Schools		198,776	35,876





Schedule B – Schedule of Pension Amounts by Employer

Employers	State's Proportionate Share Of the Net Pension Liability (Asset) Associated with the District		Employer Pension Expense and Revenue for State Support
Putnam County Schools	\$	539,539	\$ 97,379
Quitman County Schools		62,473	11,276
Rabun County Schools		386,196	69,703
Randolph County Schools		130,626	23,576
Richmond County Schools		3,867,638	698,052
Rockdale County Schools		1,948,016	351,588
Schley County Schools		130,626	23,576
Screven County Schools		255,570	46,127
Seminole County Schools		147,663	26,651
Spalding County Schools		1,300,571	234,734
Stephens County Schools		596,331	107,629
Stewart County Schools		73,832	13,326
Sumter County Schools		766,713	138,380
Talbot County Schools		107,907	19,476
Taliaferro County Schools		39,755	7,175
Tattnall County Schools		499,782	90,203
Taylor County Schools		198,776	35,876
Telfair County Schools		232,854	42,027
Terrell County Schools		249,891	45,102
Thomas County Schools		846,224	152,731
Tift County Schools		437,309	78,928
Toombs County Schools		312,364	56,377
Towns County Schools		215,816	38,952
Treutlen County Schools		113,586	20,501
Troup County Schools		1,857,147	335,188
Turner County Schools		159,022	28,701
Twiggs County Schools		124,947	22,551
Union County Schools		460,028	83,028
Upson County Schools		817,826	147,606
Walker County Schools		1,363,044	246,009
Walton County Schools		1,913,941	345,438
Ware County Schools		795,109	143,505
Warren County Schools		102,228	18,451
Washington County Board of Education		283,968	51,252
Wayne County Schools		664,483	119,929
Webster County Schools		11,358	2,050
Wheeler County Schools		170,380	30,751
White County Board of Education		511,141	92,253
Whitfield County Schools		1,033,642	186,557





Schedule B – Schedule of Pension Amounts by Employer

Employers	State's Proportionate Share Of the Net Pension Liability (Asset) Associated with the District		Employer Pension Expense and Revenue for State Support
Wilcox County Schools	\$	164,701	\$ 29,726
Wilkes County Schools		352,119	63,552
Wilkinson County Schools		232,854	42,027
Worth County Schools		323,723	58,427
City of Bremen Schools (Haralson)		107,907	19,476
City of Buford Schools (Gwinnett)		624,729	112,754
City of Calhoun Schools (Gordon)		181,739	32,801
City of Carrollton Schools (Carroll)		647,446	116,854
City of Cartersville Schools (Bartow)		323,723	58,427
City of Chickamauga Schools (West)		124,947	22,551
City of Commerce Schools (Jackson)		130,626	23,576
City of Dalton Schools (Whitfield)		414,592	74,828
City of Decatur Schools (DeKalb)		505,462	91,228
City of Dublin Schools (Laurens)		301,006	54,327
City of Gainesville Schools (Hall)		596,331	107,629
City of Jefferson Schools (Jackson)		272,608	49,202
City of Marietta Schools (Cobb)		584,972	105,579
City of Pelham Schools (Mitchell)		124,947	22,551
City of Rome Schools (Floyd)		851,903	153,756
City of Social Circle Schools (Walton)		215,816	38,952
City of Thomasville Schools (Thomas)		141,984	25,626
City of Trion Schools (Chattooga)		124,947	22,551
City of Valdosta Schools (Lowndes)		942,772	170,157
City of Vidalia Schools (Toomb)		249,891	45,102
Scintilla Charter Academy		22,717	4,100
Southwest Georgia Stem Charter School		28,396	5,125
School for Arts Infused Learning		22,717	4,100
Furlow Charter School		28,396	5,125
Georgia Magnet Charter School		5,679	1,025
Georgia Military College		352,119	63,552
Kipp Metro Atlanta Collaborative Inc		295,327	53,302
The Globe Academy		<u>11,358</u>	<u>2,050</u>
Total State of Georgia	\$	<u>184,630,000</u>	\$ <u>33,323,000</u>





Schedule C – Summary of Benefit Provisions Evaluated

The Georgia Public School Employees Retirement System (PSERS) is a cost-sharing multiple employer defined benefit pension plan established by the Georgia General Assembly in 1969 for the purpose of providing retirement allowances and other benefits for public school employees who are not eligible for membership in the Teachers Retirement System of Georgia.

Normal Retirement Benefit

Eligibility	Age 65 and 10 years of creditable service.
Benefit	Monthly benefit is \$15.00 multiplied by years of creditable service for members retiring before August 1, 2012 and \$16.00 multiplied by years of creditable service for members retiring on or after August 1, 2012. For members with retirement dates prior to July 1, 2013, a one-time 1.75% increase is made at time of retirement.

Early Retirement Benefit

Eligibility	Age 60 and 10 years of creditable service.
Benefit	Accrued benefit reduced by 6% for each year member is under age 65.

Disability Retirement Benefit

Eligibility	15 years of creditable service.
Benefit	Accrued benefit payable immediately.

Deferred Vested Retirement Benefit

Eligibility	10 years of creditable service. Member contributions not withdrawn.
Benefit	Accrued benefit deferred to age 65 or reduced benefit payable at age 60.

Death Benefit

Eligibility	Death in service and the member is at least age 60 and has at least 10 years of creditable service.
Benefit	Benefit payable to beneficiary under the joint and survivor annuity payment option. If the member dies in service under age 60 or with less than 10 years of creditable service his beneficiary receives a refund of the member's accumulated contributions.





Schedule C – Summary of Benefit Provisions Evaluated (continued)

Termination Benefit

Eligibility	Less than 10 years of creditable service.
Benefit	Return of the member's accumulated contributions.
Payment Options	(1) Life annuity. Guaranteed payment of accumulated member contributions. (2) Joint and survivorship annuity. (3) Certain and life annuity.

Post-Retirement Adjustments

The Board may from time to time grant a Cost of Living Adjustment.

Contributions

By Members	Members who joined the System prior to July 1, 2012 contribute \$4 per month. Members joining the System on or after July 1, 2012 contribute \$10 per month.
By Employers	Employer contributions are actuarially determined and approved and certified by the Board.





Schedule D – Statement of Actuarial Assumptions and Methods

Actuarial assumptions and methods adopted by the Board on December 17, 2020. Valuation interest rate based on the long-term assumed investment rate of return as adopted by the Board.

VALUATION INTEREST RATE: 7.00% per annum, compounded annually, net of investment expenses, composed of a 2.50% inflation assumption and a 4.50% real rate of investment return assumption.

SEPARATIONS BEFORE SERVICE RETIREMENT: Representative values of the assumed annual rates of separation before service retirement are as follows:

Annual Rates of Withdrawal				
Age	Years of Service			Disability
	<u>0-4</u>	<u>5-9</u>	<u>10 & Over</u>	
	<u>Males</u>			<u>Males</u>
20	34.00%			0.0000%
25	31.00	19.00%		0.0000
30	27.50	17.00	12.50%	0.0000
35	24.50	15.50	9.00	0.0018
40	22.00	13.50	8.25	0.0110
45	21.00	12.50	7.00	0.0330
50	18.50	11.00	7.00	0.0770
55	15.25	9.00	6.00	0.2250
60	13.50	9.00		0.2500
<u>Females</u>			<u>Females</u>	
20	35.00%			0.0000%
25	31.00	20.00%		0.0000
30	25.00	16.50	10.00%	0.0000
35	22.00	15.00	10.00	0.0018
40	20.00	14.00	9.00	0.0110
45	18.00	12.00	8.00	0.0330
50	16.25	10.00	7.00	0.0770
55	13.50	9.00	6.00	0.2250
60	13.00	9.00		0.2500





Schedule D – Statement of Actuarial Assumptions and Methods (continued)

RETIREMENT: Representative values of the assumed annual rates of retirement are as follows:

Age	Annual Rate	Age	Annual Rate
60	12.0%	71	25.0%
61	12.0	72	25.0
62	21.0	73	25.0
63	17.0	74	25.0
64	15.0	75	25.0
65	26.0	76	25.0
66	26.0	77	25.0
67	22.0	78	25.0
68	22.0	79	25.0
69	23.5	80 & Over	100.0
70	25.0		

RATES OF DEATH BEFORE RETIREMENT: The Pub-2010 Below-Median General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service. Representative values of the assumed annual rates of mortality while in active service are as follows:

Annual Rates of Death*					
Age	Males	Females	Age	Males	Females
20	0.0410 %	0.0130 %	45	0.1430 %	0.0720 %
25	0.0410	0.0120	50	0.2180	0.1070
30	0.0520	0.0190	55	0.3200	0.1570
35	0.0680	0.0300	60	0.4660	0.2380
40	0.0960	0.0470	65	0.6820	0.3800

*Base mortality rates as of 2010 before application of the improvement scale





Schedule D – Statement of Actuarial Assumptions and Methods (continued)

RATES OF DEATHS AFTER RETIREMENT: The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for post-retirement mortality assumptions as follows:

Participant Type	Membership Table	Set Forward (+)/ Setback (-)	Adjustment to Rates
Service Retirees	General Healthy Below-Median Annuitant	Male: +2; Female: +2	Male: 101%; Female: 103%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Below-Median Contingent Survivors	Male: +2; Female: +2	Male: 104%; Female: 99%

Representative values of the assumed annual rates of mortality after retirement are as follows:

Annual Rates of Death*						
Age	Service Retirement		Disability Retirement		Beneficiaries	
	Males	Females	Males	Females	Males	Females
50	0.7989%	0.4532%	1.2576%	1.5720%	0.9984%	0.5930%
55	0.9837	0.5037	1.8725	1.8465	1.1523	0.7742
60	1.1726	0.6015	2.3484	2.0734	1.4258	1.0237
65	1.5736	0.8827	2.7573	2.3914	1.9978	1.4147
70	2.5785	1.5296	3.4536	3.0337	3.0680	2.0731
75	4.3329	2.6770	4.4743	4.2432	4.7414	3.1878
80	7.4043	4.7679	6.0986	6.3674	7.3944	5.1450
85	12.4301	8.7849	8.8220	9.8909	11.8154	8.7684
90	19.3173	15.3594	12.9831	14.4849	19.0320	14.3778

*Base mortality rates as of 2010 before application of the improvement scale

ADMINISTRATIVE EXPENSES: Administrative expenses equal to \$1,400,000 are added to the normal cost contribution.

AMORTIZATION METHOD: Level dollar amortization.

ASSET METHOD: Fair Value.

VALUATION METHOD: Entry age normal cost method.





Schedule D – Statement of Actuarial Assumptions and Methods (continued)

COST-OF-LIVING ADJUSTMENT (COLA): 1.50% semi-annually.

TERMINATING VESTED MEMBERS: 25% of active vested members who terminate are assumed to elect a refund in lieu of a benefit. Benefits are assumed to begin at age 65.





Schedule E – Funding Policy of the PSERS Board of Trustees

The purpose of this Funding Policy is to state the overall objectives for the Public School Employees Retirement System (System), the benchmarks that will be used to measure progress in achieving those goals, and the methods and assumptions that will be employed to develop the benchmarks. It is the intent of the PSERS Board of Trustees that the Funding Policy outlined herein will remain unchanged until the objectives below are met.

I. Funding Objectives

The goal in requiring employer and member contributions to the System is to accumulate sufficient assets during a member's employment to fully finance the benefits the member is expected to receive throughout retirement. In meeting this objective, the System will strive to meet the following funding objectives:

- To develop a pattern of contributions expressed as both a total dollar amount and as a dollar amount per active member and measured by valuations prepared in accordance with applicable State laws and the principles of practice prescribed by the Actuarial Standards Board.
- To maintain an increasing funded ratio (ratio of actuarial value of assets to actuarial accrued liabilities) that reflects a trend of improved actuarial condition. The long-term objective is to obtain a 100% funded ratio over a reasonable period of future years.
- To maintain adequate asset levels to finance the benefits promised to members and monitor the future demand for liquidity.
- To promote intergenerational equity for taxpayers with respect to contributions required for the benefits provided by the System.

II. Measures of Funding Progress

To track progress in achieving the System's funding objectives, the following measures will be determined annually as of the actuarial valuation date (with due recognition that a single year's results may not be indicative of long-term trends):

- **Funded ratio** – The funded ratio, defined as the actuarial value of assets divided by the actuarial accrued liability, should increase over time, before adjustments for changes in benefits, actuarial methods, and/or actuarial adjustments. The target funded ratio will be 100 percent within 25 years of the valuation date for the first valuation conducted following the adoption of this Policy (i.e. the June 30, 2013 valuation date).
- **Unfunded Actuarial Accrued Liability (UAAL)**
 - **Transitional UAAL** – The UAAL established as of the initial valuation date for which this funding policy is adopted shall be known as the Transitional UAAL.
 - **New Incremental UAAL** – Each subsequent valuation will produce a New Incremental UAAL consisting of all benefit changes, assumption and method changes and experience gains and/or losses that have occurred since the previous valuations.





Schedule E – Funding Policy of the PSERS Board of Trustees (continued)

- **UAAL Amortization Period**
 - The transitional UAAL will be amortized over a closed 25-year period beginning on the initial valuation date for which this funding policy is adopted.
 - Each New Incremental UAAL shall be amortized over a closed 25-year period beginning with the year it is incurred.
 - Effective with the June 30, 2020 valuation date, any New Incremental UAAL which is attributable to the granting of any post-retirement benefit adjustment (PRBA), including COLAs and one-time (non-compounded) payments, shall be amortized over a closed 15-year period. The amortization period shall begin with the year such PRBA is granted by the Board.
- **Employer Contributions**
 - **Employer Normal Contributions** – the contribution determined as of the valuation date each year to fund the employer portion of the annual normal cost of the System based on the assumptions and methods adopted by the Board.
 - In each valuation subsequent to the adoption of this funding policy the required employer contributions will be determined as the summation of the employer Normal Contribution, a contribution for administrative expenses, the amortization cost for the Transitional UAAL and the individual amortization cost for each of the New Incremental UAAL bases.
 - Employer Contributions will be expressed as both a total dollar amount and as a dollar amount per active member. In no event shall the employer contributions be less than \$0.
 - The valuation methodology, including the amortization of the Unfunded Actuarial Accrued Liability (UAAL), would be expected to maintain reasonably stable contributions as a dollar per active member.

III. Methods and Assumptions

The annual actuarial valuations providing the measures to assess funding progress will utilize the actuarial methods and assumptions last adopted by the Board based upon the advice and recommendations of the actuary. These include the following primary methods and assumptions:

- The actuarial cost method used to develop the benchmarks will be the Entry Age Normal (EAN) actuarial cost method.
- The long-term annual investment rate of return assumption will be:
 - Effective with the June 30, 2013 valuation date, 7.50% net of investment expenses.
 - Effective with the June 30, 2017 valuation date, reduced by 0.10% (10 basis points) from the immediate prior actuarial valuation, as long as the following conditions are met:
 - The actual rate of return for the fiscal year ending with the current valuation date exceeds the assumed rate of return from the immediate prior actuarial valuation, and
 - The assumed rate of return does not decrease below 7.00% net of investment expenses.
- The actuarial value of assets will be determined by recognizing the annual differences between actual and expected market value of assets over a five-year period, beginning with the June 30, 2013 actuarial valuation.
 - Prior to the June 30, 2013 valuation, the differences between actual and expected market value of assets were recognized over a seven-year period. For the June 30, 2013 valuation, all then-current deferred gains and losses will be recognized immediately, and the initial new five-year period will begin immediately thereafter.





Schedule E – Funding Policy of the PSERS Board of Trustees (continued)

The employer contributions determined in an annual actuarial valuation will be at least sufficient to satisfy the annual normal cost of the System and amortize the UAAL as a level dollar amount over a period not to exceed 25 years (for the UAAL as of the June 30, 2013 valuation date, and for each successive year of gains and losses incurred in years following the June 30, 2013 valuation date). However, in no event shall the employer contributions be less than \$0.

The actuary shall conduct an investigation into the System's experience at least every five years and utilize the results of the investigation to form the basis for recommended assumptions and methods. Any changes to the recommended assumptions and methods that are approved by the Board will be reflected in this Policy.

IV. Funding Policy Progress

The Board will periodically have actuarial projections of the valuation results performed to assess the current and expected future progress towards the overall funding goals of the System. These periodic projections will provide the expected valuation results over at least a 30-year period. The projected measures of funding progress and the recent historical trend provided in valuations will provide important information for the Board's assessment of the System's funding progress.

Adopted: December 17, 2020

