

**GEORGIA SCHOOL EMPLOYEES
POST-EMPLOYMENT HEALTH
BENEFIT FUND**



**GASB STATEMENT
NO. 74 REPORT**

**PREPARED FOR JUNE 30, 2025
FINANCIAL REPORTING**



October 2, 2025

Georgia Department of Community Health
Financial Services 17th Floor
2 Martin Luther King Jr Dr SE, East Tower
Atlanta, GA 30334

Dear Members of the Board:

Presented in this report is information to assist the Georgia School Employees Post-employment Health Benefit Fund in meeting the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 74. The information is presented for the one-year period ending June 30, 2025. These calculations have been made on a basis that is consistent with our understanding of these accounting standards.

The annual actuarial valuation performed as of June 30, 2024 was used as the basis for much of the information presented as of June 30, 2025 in this report. The valuation was based upon data furnished by the State pension retirement systems and the Georgia Department of Community Health staff, concerning active, inactive, and retired members along with pertinent claims data and financial information. This information was reviewed for completeness and internal consistency but was not audited. The valuation results depend on the integrity of the data. If any of the information is inaccurate or incomplete, our results may be different, and our calculations may need to be revised. In the June 30, 2024 valuation, 2,612 active members out of over 181,000 total active members were not found in a recent active eligible role. For these records, entry age was assumed to be equal to the information that could be found in their former active role or, if no information could be found, their current age for valuation purposes. 0 active member was missing information regarding gender, so so no assumptions regarding gender were needed.

To the best of our knowledge, the information contained in this report is complete and accurate. These calculations were performed by, and under the supervision of, independent consulting actuaries with experience in performing valuations for public retirement systems. In addition, the valuation was prepared in accordance with generally accepted actuarial principles and practices as well as with Actuarial Standards of Practice prescribed by the Actuarial Standards Board.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of providing reporting and disclosure information that satisfies the requirements of GASB Statement No. 74. The calculation of the plan's liability for this report may not be applicable for funding purposes of the plan. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB No. 74 may produce significantly different results.



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.

We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. We are available to answer any questions on the material contained in this report or to provide explanations or further details as may be appropriate. The valuations were prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the medical plans and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of each plan and are expected to reasonably estimate future experience of the plan.

Respectfully submitted,

Alisa Bennett, FSA, EA, FCA, MAAA
President

Jessica Fain, EA, ACA, MAAA
Associate Actuary

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SECTION I – SUMMARY OF PRINCIPAL RESULTS



**REPORT OF THE ANNUAL GASB STATEMENT NO. 74
REQUIRED INFORMATION FOR THE
GEORGIA SCHOOL EMPLOYEES POST-EMPLOYMENT HEALTH BENEFIT FUND
PREPARED AS OF JUNE 30, 2025**

Valuation Date (VD):	June 30, 2024
Prior Measurement Date:	June 30, 2024
Measurement Date (MD):	June 30, 2025
Membership Data as of June 30, 2024:	
Inactive Members or Beneficiaries Currently Receiving Benefits*	93,922
Active Members**	181,029
Total Membership	274,951
Discount Rate:	
Long-Term Expected Rate of Return	7.00%
Municipal Bond Index Rate at Measurement Date	5.20%
Municipal Bond Index Rate at Prior Measurement Date	3.93%
Year in which Fiduciary Net Position is Projected to be Depleted	2031
Single Equivalent Interest Rate at Measurement Date	5.28%
Single Equivalent Interest Rate at Prior Measurement Date	3.98%
Net OPEB Liability:	
Total OPEB Liability (TOL)	\$ 10,529,422,219
Fiduciary Net Position (FNP)	1,224,498,534
Net OPEB Liability (NOL = TOL – FNP)	\$ 9,304,923,685
FNP as a percentage of TOL	11.63%

*The inactive member headcount includes current retirees and surviving dependents. It does not reflect spouses or other dependents covered under a current retiree's plan.

**In addition, in 2024, data was collected for 54,118 School active employees who have waived health coverage under the State Health Benefit Plan (SHBP). It is assumed 20% of these members will elect SHBP coverage before retirement and be eligible for an OPEB benefit.





SECTION II – INTRODUCTION

The Governmental Accounting Standards Board (GASB) issued Statement No. 74 (GASB 74), *“Financial Reporting for Postemployment Benefit Plans other than Pension Plans,”* in June 2015. The effective date for reporting under GASB 74 is plan years beginning after June 15, 2016. This report has been prepared as of June 30, 2025 (the Measurement Date) to assist the Georgia School Employees Postemployment Benefit Fund (Fund) in better understanding the requirements of GASB 74 and to identify the information to be provided by the Plan’s actuary, CavMac. Much of the material provided in this report is based on the data, assumptions, and results of the annual actuarial valuation of the Plan as of June 30, 2024.

GASB 74 requires the determination of the Total OPEB Liability (TOL) utilizing the Entry Age Normal actuarial cost method. The Net OPEB Liability (NOL) is then set equal to the TOL minus the Plan’s Fiduciary Net Position (FNP) (basically the market value of assets). The benefit provisions recognized in the calculation of the TOL are summarized in Schedule B.

Among the assumptions needed for the liability calculation is a Single Equivalent Interest Rate (SEIR), as described by GASB 74. To determine the SEIR, the FNP must be projected into the future for as long as there are anticipated benefits payable under the plan’s provisions applicable to the members and beneficiaries of the Plan on the Measurement Date. If the FNP is not projected to be depleted at any point in the future, the long-term expected rate of return on plan investments expected to be used to finance the benefit payments may be used as the SEIR.

If, however, the FNP is projected to be depleted, the SEIR is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by discounting all projected benefit payments through the date of depletion by the long-term expected rate of return and the present value determined by discounting those benefits after the date of depletion by a 20-year tax-exempt municipal bond (rating AA/Aa or higher) rate (Municipal Bond Index Rate). The Municipal Bond Index Rate used, if necessary, for this purpose is the Bond Buyer General Obligation 20-year Municipal Bond Index Rate published at the last Thursday of June by The Bond Buyer (www.bondbuyer.com). The Municipal Bond Index Rate as of June 30, 2025 was 5.20%. For the purpose of this report, we have determined that a discount rate of 5.28% meets the requirements of GASB 74, since the benefit payments are projected to exceed the assets in 2031.

The sections that follow provide the results of all the necessary calculations, presented in the order laid out in GASB 74 for note disclosure and Required Supplementary Information (RSI).



SECTION III – FINANCIAL STATEMENT NOTES



The actuarial related information presented herein will follow the order presented in GASB 74. Paragraph numbers are provided for ease of reference.

Paragraphs 34.a. (1)-(3): This information will be supplied by the Fund.

Paragraph 34.a. (4): The data required regarding the membership of the Fund were furnished by the Georgia Department of Community Health. The following table summarizes the membership of the Fund as of June 30, 2024, the date of the valuation used to determine the June 30, 2025 Total OPEB Liability.

Membership	Number
Inactive Members Or Their Beneficiaries Currently Receiving Benefits*	93,922
Inactive Members Entitled To But Not Yet Receiving Benefits	0
Active Members**	<u>181,029</u>
Total	274,951

*The inactive member headcount includes current retirees and surviving dependents. It does not reflect spouses or other dependents covered under a current retiree's plan.

**In addition, in 2024, data was collected for 54,118 School active employees who have waived health coverage under SHBP. It is assumed 20% of these members will elect SHBP coverage before retirement and be eligible for an OPEB benefit.

Paragraphs 34.a. (5)-(6) and Paragraphs 34.b.-e.: This information will be supplied by the Fund.

Paragraphs 35.a. (1)-(4): As stated earlier, the NOL is equal to the TOL minus the FNP. That result, as of June 30, 2025, is presented in the following table.

Fiscal Year Ending June 30, 2025	
Total OPEB Liability	\$ 10,529,422,219
Fiduciary Net Position	<u>1,224,498,534</u>
Net OPEB Liability	\$ 9,304,923,685
Ratio of Fiduciary Net Position to Total OPEB Liability	11.63%



SECTION III – FINANCIAL STATEMENT NOTES



Paragraph 35.b.: This paragraph requires information regarding the actuarial assumptions used to measure the TOL. The actuarial assumptions utilized in developing the TOL are outlined in Schedule C. The Total OPEB Liability as of June 30, 2025 was determined based on an actuarial valuation prepared as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2025:

Salary Increases*	
TRS	3.00 – 8.75%
PSERS	N/A
Long-Term Investment Rate of Return*	7.00% compounded annually and net of Investment expense
Municipal Bond Index Rate	5.20%
Year FNP is Projected to be Depleted	2031
Single Equivalent Interest Rate	5.28%
Health Care Cost Trend Rate*	
Initial Trend Rate	6.50%
Ultimate Trend Rate	4.50%
Year of Ultimate Trend Rate	2032

* Includes inflation at 2.50%

For TRS:

The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate.



SECTION III – FINANCIAL STATEMENT NOTES



For PSERS:

Pre-retirement mortality rates were based on the Pub-2010 Below-Median General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Below-Median Annuitant Mortality Table (ages set forward two years and adjusted 101% for males and 103% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Below-Median Contingent Survivor Mortality Table (ages set forward two years and adjusted 104% for males and 99% for females) with the MP-2019 Projection scale applied generationally.

The actuarial assumptions used for TRS members in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the assumed annual rate of inflation, which was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation.

Approximately 0.08% of School Personnel OPEB Fund members who are included in the School Personnel OPEB Fund Total OPEB Liability participate in the Employees Retirement System of Georgia. Assumptions for these members can be found in the State Employee OPEB Fund report.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2024 valuation were based on a review of recent plan experience done concurrently with the June 30, 2024 valuation. The full set of actuarial assumptions used can be found in Schedule C.



SECTION III – FINANCIAL STATEMENT NOTES



Assets are invested in a similar manner as are assets of the Georgia Employees' Retirement System (ERS). The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Expected Inflation	Long-Term Expected Rate of Return
Fixed Income	30.00%	3.45%	2.50%	5.95%
Equities	70.00%	9.30%	2.50%	11.80%
Total	100.00%			10.045%

The long-term expected rate of return of 7.00% is reasonable relative to the target allocation and its expected returns.

Discount rate (SEIR). For the purpose of this report, we have determined that a discount rate of 5.28% meets the requirements of GASB 74, since current assets are less than the expected benefit payments starting with fiscal year 2031.

Paragraph 35.b.(1)

Sensitivity analysis: This paragraph requires disclosure of the sensitivity of the NOL to changes in the health care cost trend rate. The following presents the NOL of the Fund, calculated using the current health care cost trend rates, as well as the NOL calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rates:

	Health Care Cost Trend Rates		
	1% Decrease	Current	1% Increase
Net OPEB Liability	\$ 8,089,332,403	\$ 9,304,923,685	\$ 10,773,464,523





Paragraph 35.b.(2)

- (a) **Discount rate.** The discount rate used to measure the Total OPEB Liability was 5.28%.
- (b) **Projected cash flows:** The projection of cash flows used to determine the discount rate assumed that plan contributions from members and the State of Georgia will be made at the level projected in the budget projections, which indicated that no additional employer contributions will be made to the Fund in excess of pay as you go benefit payments. Pay as you go benefit payments, adjusted for closed group active headcount estimations, are assumed for the next five years. After that, the plan contribution is assumed to be equal to the average of the plan contributions over the prior five years, adjusted for closed group active headcount estimations.
- (c) **Long-term rate of return:** The long-term expected rate of return on OPEB plan investments will be determined based on the allocation of assets by asset class and by the mean and variance of real returns as determined by the investment advisor.
- (d) **Municipal bond rate:** The discount rate determination will use a municipal bond rate to the extent the Fund is projected to run out of money before all benefits are paid.
- (e) **Periods of projected benefit payments:** Projected future benefit payments for all current plan members were projected through 2134.
- (f) **Assumed asset allocation:** The target asset allocation, as provided by the investment consultant, was summarized on the prior page.
- (g) **Sensitivity analysis:** This paragraph requires disclosure of the sensitivity of the NOL to changes in the discount rate. The following presents the NOL, calculated using the discount rate of 5.28%, as well as the NOL calculated using a discount rate that is 1-percentage-point lower (4.28%) or 1-percentage-point higher (6.28%) than the current rate:

	Interest Rates		
	1% Decrease (4.28%)	Current Discount Rate (5.28%)	1% Increase (6.28%)
Net OPEB Liability	\$ 10,466,183,395	\$ 9,304,923,685	\$ 8,311,579,706



SECTION III – FINANCIAL STATEMENT NOTES



Paragraph 35.c.: June 30, 2024 is the actuarial valuation date upon which the TOL is based. The result was rolled forward using standard actuarial techniques to the measurement date. The roll forward calculation adds the normal cost (also called the service cost) for the period July 1, 2024 through June 30, 2025, subtracts the actual benefit payments for the same period, and then applies the expected investment rate of return for the period. If applicable, actuarial gains and losses arising from benefit changes, the differences between estimated and actual experience, and changes in assumptions or other inputs are reconciled to the TOL as of the Measurement Date. The procedure was used to determine the TOL as of June 30, 2025, as shown in the following table:

TOL Roll Forward		
(a)	TOL as of June 30, 2024*	\$ 12,238,549,455
(b)	Actual Benefit Payments and Refunds for the Period July 1, 2024 - June 30, 2025	(428,332,339)
(c)	Interest on TOL = [(a) x Prior SEIR] + [(b) x Prior SEIR x 0.50]	478,570,455
(d)	Service Cost for the Period July 1, 2024 - June 30, 2025 at the End of the Period	408,706,565
(e)	Change Due to Experience	(619,956,364)
(f)	Change Due to Change in Assumptions	<u>(1,548,115,553)</u>
(g)	TOL Rolled Forward to June 30, 2025 = (a) + (b) + (c) + (d) + (e) + (f)	\$ 10,529,422,219

* The TOL as of June 30, 2024 used in the roll forward was calculated using the discount rate as of the Prior Measurement Date. The Change Due to Experience is primarily due to the actual increase in Medicare costs being less than expected and Medicare retiree contributions being higher than expected. The Change Due to Experience also includes changes due to such sources as retirements, terminations, deaths, etc., differing from the assumed rates, and new entrants entering the plan with a partial year of service credit at the valuation date. The Change in Assumptions was due to the change in the discount rate from 3.98% to 5.28%.



SECTION IV – REQUIRED SUPPLEMENTARY INFORMATION



There are several tables of Required Supplementary Information (RSI) that need to be included in the Plan's financial statements. Paragraph numbers are provided for ease of reference.

Paragraphs 36.a.-c.: The required tables of schedules are provided in Schedule A.

Paragraph 36.d. and 37: The required schedule presenting the annual money-weighted rates of return is to be supplied by the Plan.

Paragraph 38: The following information should be noted regarding the RSI, particularly for the *Schedule of Employer Contributions*:

Changes in actuarial assumptions:

6/30/2024 valuation: None.

6/30/2023 valuation: Medicare health care trend rates were updated.

6/30/2022 valuation: The tobacco use assumption and aging factors were revised.

6/30/2021 valuation: None.

6/30/2020 valuation: Decremental assumptions were changed to reflect the Employees Retirement Systems experience study. Approximately 0.10% of employees are members of the Employees Retirement System.

6/30/2019 valuation: Decremental assumptions were changed to reflect the Teachers Retirement Systems experience study.

6/30/2018 valuation: The inflation assumption was lowered from 2.75% to 2.50%.

6/30/2017 valuation: The participation assumption, tobacco use assumption and morbidity factors were revised.

6/30/2015 valuation: Decremental and underlying inflation assumptions were changed to reflect the Retirement Systems' experience studies.

6/30/2012 valuation: A data audit was performed and data collection procedures and assumptions were changed.



SECTION IV – REQUIRED SUPPLEMENTARY INFORMATION



Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates 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. The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Pay, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	Market Value of Assets
Investment Rate of Return*	4.50%
Health Care Cost Trend Rate*	
Initial Trend Rate	7.00%
Ultimate Trend Rate	4.50%
Year of Ultimate Trend Rate	2032

* Includes inflation at 2.50%





SCHEDULE A – REQUIRED SUPPLEMENTARY INFORMATION TABLES

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY GASB 74 Paragraph 36.a.

Fiscal Year Ending June 30	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability									
Service Cost at the end of the year	\$ 557,769,672	\$ 521,134,528	\$ 408,666,633	\$ 458,802,382	\$ 639,070,265	\$ 499,105,318	\$ 375,175,575	\$ 407,198,463	\$ 408,706,565
Interest on TOL and Cash Flow s	452,024,327	504,681,027	500,123,166	454,637,017	335,548,564	249,844,998	369,360,434	421,455,493	478,570,455
Change in benefit terms	0	0	0	0	0	0	0	0	0
Difference between expected and actual experience	0	(341,373,142)	(1,298,676,985)	(619,357,462)	(4,394,954,584)	471,308,998	(366,451,882)	377,604,548	(619,956,364)
Changes of assumptions or other inputs	(1,262,290,993)	(1,506,312,743)	503,959,116	2,473,164,161	29,293,701	(1,838,826,802)	1,142,901,886	(214,195,410)	(1,548,115,553)
Benefit payments*	(383,556,270)	(364,817,814)	(339,753,889)	(335,832,389)	(367,775,501)	(366,559,076)	(417,026,322)	(412,217,122)	(428,332,339)
Refund of contributions	0	0	0	0	0	0	0	0	0
Net change in Total OPEB Liability	\$ (636,053,264)	\$ (1,186,688,144)	\$ (225,681,959)	\$ 2,431,413,709	\$ (3,758,817,555)	\$ (985,126,564)	\$ 1,103,959,691	\$ 579,845,972	\$ (1,709,127,236)
Total OPEB Liability - beginning	\$ 14,915,697,569	\$ 14,279,644,305	\$ 13,092,956,161	\$ 12,867,274,202	\$ 15,298,687,911	\$ 11,539,870,356	\$ 10,554,743,792	\$ 11,658,703,483	\$ 12,238,549,455
Total OPEB Liability - ending (a)	\$ 14,279,644,305	\$ 13,092,956,161	\$ 12,867,274,202	\$ 15,298,687,911	\$ 11,539,870,356	\$ 10,554,743,792	\$ 11,658,703,483	\$ 12,238,549,455	\$ 10,529,422,219
Plan Fiduciary Net Position									
Contributions - employer	\$ 521,407,903	\$ 518,290,365	\$ 538,569,200	\$ 338,176,653	\$ 371,855,239	\$ 361,575,006	\$ 384,443,859	\$ 408,978,943	\$ 700,863,953
Contributions - non-employer	0	0	0	0	0	0	0	0	0
Contributions - member	0	0	0	0	0	0	0	0	0
Net investment income	1,147,877	4,563,373	17,466,249	18,796,094	97,704,035	(49,304,906)	89,715,743	143,889,969	114,573,568
Benefit payments*	(383,556,270)	(364,817,814)	(339,753,889)	(335,832,389)	(367,775,501)	(366,559,076)	(417,026,322)	(412,217,122)	(428,332,339)
Administrative costs	(4,726,741)	(4,457,431)	(4,417,498)	(5,252,273)	(3,757,502)	(3,192,248)	(3,403,920)	(3,731,818)	(4,817,831)
Refund of contributions	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Net change in Plan Fiduciary Net Position	\$ 134,272,769	\$ 153,578,493	\$ 211,864,062	\$ 15,888,085	\$ 98,026,271	\$ (57,481,224)	\$ 53,729,360	\$ 136,919,972	\$ 382,287,351
Plan Fiduciary Net Position - beginning**	\$ 95,411,784	\$ 229,684,553	\$ 383,263,046	\$ 595,128,719	\$ 611,016,804	\$ 709,043,075	\$ 651,561,851	\$ 705,291,211	\$ 842,211,183
Plan Fiduciary Net Position - ending (b)	\$ 229,684,553	\$ 383,263,046	\$ 595,127,108	\$ 611,016,804	\$ 709,043,075	\$ 651,561,851	\$ 705,291,211	\$ 842,211,183	\$ 1,224,498,534
Net OPEB Liability - ending (a) - (b)	\$ 14,049,959,752	\$ 12,709,693,115	\$ 12,272,147,094	\$ 14,687,671,107	\$ 10,830,827,281	\$ 9,903,181,941	\$ 10,953,412,272	\$ 11,396,338,272	\$ 9,304,923,685

* Benefit payments are net of member contributions and include claims related expenses.

** The Fiscal Year 2020 beginning Plan Fiduciary Net Position was restated to reflect audit adjustments.





SCHEDULE A – REQUIRED SUPPLEMENTARY INFORMATION TABLES

SCHEDULE OF THE NET OPEB LIABILITY GASB 74 Paragraph 36.b.

Fiscal Year Ending June 30	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability	\$ 14,279,644,305	\$ 13,092,956,161	\$ 12,867,274,202	\$ 15,298,687,911	\$ 11,539,870,356	\$ 10,554,743,792	\$ 11,658,703,483	\$ 12,238,549,455	\$ 10,529,422,219
Plan Fiduciary Net Position	229,684,553	383,263,046	595,127,108	611,016,804	709,043,075	651,561,851	705,291,211	842,211,183	1,224,498,534
Net OPEB Liability	\$ 14,049,959,752	\$ 12,709,693,115	\$ 12,272,147,094	\$ 14,687,671,107	\$ 10,830,827,281	\$ 9,903,181,941	\$ 10,953,412,272	\$ 11,396,338,272	\$ 9,304,923,685
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	1.61%	2.93%	4.63%	3.99%	6.14%	6.17%	6.05%	6.88%	11.63%
Covered Payroll	\$ 10,086,189,000	\$ 10,516,260,733	\$ 10,583,166,690	\$ 10,625,002,714	\$ 10,900,208,803	\$ 10,912,921,884	\$ 11,374,300,727	\$ 12,208,822,754	\$ 13,058,987,481
Net OPEB Liability as a percentage of covered payroll	139.30%	120.86%	115.96%	138.24%	99.36%	90.75%	96.30%	93.35%	71.25%





SCHEDULE A – REQUIRED SUPPLEMENTARY INFORMATION TABLES

SCHEDULE OF EMPLOYER CONTRIBUTIONS GASB 74 Paragraph 36.c. (\$ in Thousands)

Fiscal Year Ending June 30	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Employer Contribution (ADEC)	\$ 701,044	\$ 628,435	\$ 596,463	\$ 728,211	\$ 754,013	\$ 786,912	\$ 833,291	\$ 824,872	\$ 669,894	\$ 873,736
Contributions in relation to the ADEC	700,864	408,979	384,444	361,575	371,855	338,177	538,569	518,290	521,408	432,438
Annual contribution deficiency (excess)	\$ 180	\$ 219,456	\$ 212,019	\$ 366,636	\$ 382,158	\$ 448,735	\$ 294,722	\$ 306,582	\$ 148,486	\$ 441,298
Covered Payroll	\$ 13,058,987	\$ 12,208,823	\$ 11,374,301	\$ 10,912,922	\$ 10,900,209	\$ 10,625,003	\$ 10,583,167	\$ 10,516,261	\$ 10,086,189	\$ 10,086,189
Actual contributions as a percentage of covered payroll	5.37%	3.35%	3.38%	3.31%	3.41%	3.18%	5.09%	4.93%	5.17%	4.29%





School Personnel OPEB Fund Eligibility

Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from any of these systems:

- Teachers Retirement System
 - Service Retirement: 25 years of service or age 60 with 10 years of service
 - Disability Retirement: 10 years of service
 - Active Death Surviving Spouse: 10 years of service
- Public School Employees Retirement System
 - Service Retirement: age 60 with 10 years of service
 - Disability Retirement: 15 years of service
 - Active Death Surviving Spouse: age 60 with 10 years of service

TRS eligibility requirements were assumed for members in the Other category of the School Fund.

Coverage starts immediately at retirement, provided the retiree makes proper premium payments or has the premiums deducted from the annuity check. If elected, dependent coverage starts on the same day as retiree coverage. A change from single to family coverage as a retiree is allowed only with a qualified change in status.

A tobacco surcharge of \$80 per month is charged to those tobacco users not participating in the Medicare Advantage plans. Based on recent plan experience, the assumption is that 5.0% of the retirees not participating in the Medicare Advantage plans will pay the tobacco surcharge.



SCHEDULE B – SUMMARY OF BENEFIT PROVISIONS VALUED



2025 Plan Options

The plan designs offered for the 2025 plan year are as follows:

For Medicare-eligible members

- UnitedHealthcare Medicare Advantage (MAPD) Plan Options (Standard and Premium)
- Anthem Blue Cross and Blue Shield Medicare Advantage (MAPD) Plan Options (Standard and Premium)

Information regarding the summary and benefits of UHC Medicare Advantage plans can be found at <https://retiree.uhc.com/shbp/coverage-and-benefits> and information regarding the summary and benefits of the Anthem Medicare Advantage plans can be found at <https://www.anthem.com/shbpretirees/>.

Non-MA Plan Options

- Anthem Gold, Silver, Bronze Health Reimbursement Arrangement (HRA) Plan Options
- Anthem, Kaiser Permanente (KP) and UnitedHealthcare Health Maintenance Organization (HMO) Plan Options
- UnitedHealthcare High Deductible Health Plan (HDHP)

Information regarding summary benefits and coverage for the Non-MA plans can be found at <https://shbp.georgia.gov/plan-documents/other-documents/summary-benefits-and-coverage>.

Premiums

Retiree premiums vary based on plan election, dependent coverage, Medicare eligibility and election. The Under 65 monthly basic subsidy rates (not service based) for members as of January 1, 2025 are as follows:

STATE HEALTH BENEFIT PLAN ANNUITANT UNDER 65 RATES JANUARY 1 - DECEMBER 31, 2025

	YOU	YOU + CHILD(REN)	YOU + SPOUSE	YOU + FAMILY
Anthem Gold	\$194.67	\$355.26	\$482.76	\$643.35
Anthem Silver	131.17	247.31	349.41	465.55
Anthem Bronze	82.67	164.86	247.56	329.75
Anthem HMO	157.53	292.12	404.77	539.36
UHC HMO	196.58	358.50	486.77	648.69
UHC HDHP	72.69	147.89	226.60	301.80
Kaiser HMO	157.53	292.12	404.77	539.36



SCHEDULE B – SUMMARY OF BENEFIT PROVISIONS VALUED



The Fund pays the Medicare Part B late enrollment penalty for members who were required to pay the penalty when the Medicare Advantage plans were first implemented. Future retirees are required to enroll in Medicare Part B when first eligible to avoid the penalty or be responsible for paying the late enrollment penalty, if applicable. Medicare-eligible monthly basic subsidy rates (not service based) for members as of January 1, 2025 are as follows:

Annuitant Medicare Eligible Rates	
Medicare Advantage Plan	Retiree Premium
UHC Standard MA	\$ 82.59
UHC Premium MA	\$ 218.39
Anthem Standard MA	\$ 20.00
Anthem Premium MA	\$ 187.00

For active employees with less than 5 years of service, premiums will be subject to the service based schedule shown on the next page.



SCHEDULE B – SUMMARY OF BENEFIT PROVISIONS VALUED



CONTRIBUTIONS (Actives with less than five years of service as of January 1, 2012): The Health Benefit Fund will pay a portion of the blended contribution rate for the Bronze Plan or the UHC Premium MA Plan based on the retirees' service at retirement. The retiree or spouse will pay the remainder of the premium for the chosen plan, not less than the premium paid by those with more than five years of service as of January 1, 2012.

Service at Retirement	Health Benefit Fund's Share of Contribution Rate		Retiree's Share of Contribution Rate	
	Retiree	Spouse	Retiree	Spouse
30 and above	75%	55%	25%	45%
29	72%	53%	28%	47%
28	69%	51%	31%	49%
27	66%	49%	34%	51%
26	63%	47%	37%	53%
25	60%	45%	40%	55%
24	57%	43%	43%	57%
23	54%	41%	46%	59%
22	51%	39%	49%	61%
21	48%	37%	52%	63%
20	45%	35%	55%	65%
19	42%	33%	58%	67%
18	39%	31%	61%	69%
17	36%	29%	64%	71%
16	33%	27%	67%	73%
15	30%	25%	70%	75%
14	27%	23%	73%	77%
13	24%	21%	76%	79%
12	21%	19%	79%	81%
11	18%	17%	82%	83%
10	15%	15%	85%	85%
9 and below	0%	0%	100%	100%



SCHEDULE B – SUMMARY OF BENEFIT PROVISIONS VALUED



BLENDED CONTRIBUTION RATES: As provided by the State Health Benefit Plan, the blended contribution rates used in the valuation and trended back to the valuation date are as follows:

2025 Rates				
Medical Plan	Under 65 Retiree with Under 65 Spouse (If Covered)			
	Ret Only	Ret + Ch	Ret + Sp	Family
Anthem Gold	\$1,058.91	\$1,800.15	\$2,223.71	\$2,964.95
Anthem Silver	995.41	1,692.20	2,090.36	2,787.15
Anthem Bronze	946.91	1,609.75	1,988.51	2,651.35
Anthem HMO	1,021.77	1,737.01	2,145.72	2,860.96
UHC HMO	1,060.82	1,803.39	2,227.72	2,970.29
UHC HDHP	936.93	1,592.78	1,967.55	2,623.40
Kaiser HMO	844.12	1,435.00	1,772.65	2,363.53

2025 Medicare Eligible				
Retiree Coverage Tier	Anthem MA Plans		UHC MA Plans	
	MA Prem	MA Std	MA Prem	MA Std
Retiree Only	\$199.41	\$32.41	\$230.80	\$95.00
Retiree & Spouse	398.82	64.82	461.60	190.00

Service based premium cannot be less than the basic subsidy premium.



SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



VALUATION DATE: June 30, 2024

DISCOUNT RATE: 5.28% per annum, compounded annually, net of expenses

FEDERAL LEGISLATION: The impacts of the Affordable Care Act (ACA) and the Inflation Reduction Act (IRA) were addressed in this valuation. Review of the information currently available did not identify any specific provisions of the legislation that are anticipated to directly impact results at this time other than plan design features and fees currently mandated by the ACA and incorporated in the plan designs, which are included in the current baseline claims costs, and the changes to Medicare due to the IRA, which are included in our baseline Medicare costs and trend assumption. Continued monitoring of the impact on the Plan’s liability due to this and other legislation, if applicable, will be required.

COVID-19: The impact of the COVID-19 pandemic was considered in this valuation; however, no changes were incorporated at this time due to the level of uncertainty regarding the impact on both plan costs and contribution levels going forward. Given the uncertainty regarding COVID-19 (e.g., the impact of routine care being deferred, direct COVID-19 treatment and prevention costs, changes in contribution and budget projections), continued monitoring of the impact on the Plan’s liability will be required.

ANNUAL EXPECTED CLAIMS:

At the time the report was prepared, complete calendar year 2024 claims data for the pre-Medicare eligible plans was not yet available, so the 2025 increases in the pre-Medicare full premium rates charged to retirees with 0-9 years of service were applied to prior year claims costs to develop the expected claims costs for pre-Medicare eligible retirees. Per capita costs are adjusted to reflect expected cost changes related to age. The relative value factors used were developed from the Society of Actuaries’ June 2013 research report Health Care Costs—From Birth to Death by Dale Yamamoto and from the ASOP 6 practice note developed by the American Academy of Actuaries. Representative values of the expected annual claims are as follows:

Pre-Medicare Retirees*		
Age	Male	Female
40	\$5,775	\$9,424
45	7,158	9,977
50	9,348	11,624
55	12,265	13,542
60	15,800	15,794
64	19,297	18,491

* Retirees selecting one of the HRA plans will also receive annual credits to use for eligible medical expenses. For 2025, the credits are \$400 for the Gold Plan, \$200 for the Silver Plan and \$100 for the Bronze plan. For members participating in the Anthem or UnitedHealthcare plans, wellness credits up to \$480 are available to those completing certain wellness requirements. For members participating in the Kaiser HMO plan, wellness credits up to \$500 are available to those completing certain wellness requirements. It is assumed that 50% of eligible plan participants receive the additional wellness credits.



SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



2025 premium rates, trended to the valuation date, were used to develop the expected claims costs for Medicare Advantage Plan retirees. Since the 2025 premiums rates differ from the 2024 premium rates in that the Anthem plans now have lower rates than the UHC plans, we included the expectation that some retirees will switch to the lower cost plans and adjusted actual June 30, 2024 plan election data to assume that going forward 50% of retirees will choose UHC plans and 50% of retirees will choose Anthem plans. It is further assumed that 30% choose a Premium plan and 70% choose a Standard plan.

Medicare-Eligible Retirees*		
Age	Male	Female
65	\$905	\$862
70	1,100	1,060
75	1,306	1,238
80	1,516	1,426
85	1,708	1,609
90	1,876	1,748

* Since only 629 School retirees are coded as Part B only, we retained our historical assumption that claims costs for current retirees with no Medicare Part A coverage are 373% of the claims shown above.

HEALTH CARE COST TREND RATES: Following is a chart detailing trend assumptions. Our trend assumption is based on the analysis of national average trend surveys for both the pre-Medicare and Medicare-eligible populations, stepping down to an ultimate trend rate assumption for both groups of general price inflation plus 2.00%.

Year	Pre-Medicare	Post-Medicare
2024	6.50%	6.60%
2025	6.25	6.25
2026	6.00	6.00
2027	5.75	5.75
2028	5.50	5.50
2029	5.25	5.25
2030	5.00	5.00
2031	4.75	4.75
2032 and Beyond	4.50	4.50



SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



ANTICIPATED PARTICIPATION: Representative values of the assumed annual rates of member participation and spouse coverage by future retirees are as follows. Members who elect to participate are assumed to participate for the remainder of their lives, and no lapses are assumed.

	School
Member Participation*: If 5 years of service on 1/1/2012	95%
If less than 5 years of service on 1/1/2012: Years of Service at Retirement:	
30+	95%
25-29	90%
20-24	80%
15-19	65%
10-14	50%
Under 10	20%
Spouse Coverage**: If retiree had 5 years of service on 1/1/2012	40%
If retiree had less than 5 years of service on 1/1/2012: Years of Retiree Service at Retirement:	
30+	32%
25-29	30%
20-24	26%
15-19	20%
10-14	18%
Under 10	8%

* Sufficient experience for developing plan specific participation rates for members with less than 5 years of service on 1/1/2012 has not yet developed, so assumptions for participation are based on level of subsidization. Active employees currently waiving health coverage are assumed to join the plan at a later date at the rate of 20% and then participate in the same pattern as current participating members. The 20% assumption is based on actual experience using the past 4 years of waiver data.

** Wives are assumed to be three years younger than husbands for PSERS participants and four years younger than husbands for TRS participants.

ACTUARIAL VALUE OF ASSETS: Market Value



SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



Note: Approximately 0.08% of School Personnel OPEB Fund members who are included in the School Personnel OPEB Fund Total OPEB Liability participate in the Employees Retirement System of Georgia. Assumptions for these members can be found in the GASB 74 report for the State Employee OPEB Fund as of measurement date June 30, 2025.

SCHOOL PERSONNEL OPEB FUND MEMBERS PARTICIPATING IN THE TEACHERS RETIREMENT SYSTEM OF GEORGIA

Actuarial assumptions and methods were adopted by the Teachers Retirement System of Georgia Board on May 13, 2020.

SALARY INCREASES*:

Service	Annual Rate	Service	Annual Rate	Service	Annual Rate
0	8.75%	7	4.25%	14	3.25%
1	7.25	8	3.75	15	3.25
2	5.75	9	3.75	16	3.00
3	5.25	10	3.50	17	3.00
4	5.00	11	3.50	18	3.00
5	5.00	12	3.50	19	3.00
6	5.00	13	3.50	20 or more	3.00

* Includes price inflation component of 2.50% and a real rate of salary increase component of 0.50%

SERVICE RETIREMENT:

Age	Annual Rate			
	Male		Female	
	Less than 30 Years of Service	30 or More Years of Service*	Less than 30 Years of Service	30 or More Years of Service**
50	3.00%	52.00%	2.75%	50.00%
55	5.00	37.00	5.75	35.00
60	20.00	34.00	25.00	40.00
61	18.00	30.00	25.00	40.00
62	25.00	35.00	25.00	43.00
63	22.00	28.00	25.00	43.00
64	22.00	28.00	24.00	43.00
65	27.00	27.00	32.00	32.00
66	32.00	32.00	32.00	32.00
67	30.00	30.00	32.00	32.00
68	30.00	30.00	30.00	30.00
69	30.00	30.00	30.00	30.00
70	30.00	30.00	30.00	30.00

*An additional 10% are assumed to retire at 30 years of service for ages between 50 and 64.

**An additional 15% are assumed to retire at 30 years of service for ages between 50 and 61.



SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



SCHOOL PERSONNEL OPEB FUND MEMBERS PARTICIPATING IN THE TEACHERS RETIREMENT SYSTEM OF GEORGIA

SEPARATION BEFORE SERVICE RETIREMENT:

Age	Annual Rate				
	Death*	Disability	Withdrawal Years of Service		
			0 – 4	5 – 9	10+
	Male				
20	0.0375%	0.0000%	27.00%		
25	0.0336	0.0000	17.00	13.00%	
30	0.0437	0.0000	14.00	6.50	6.00%
35	0.0549	0.0165	14.00	6.25	3.50
40	0.0714	0.0275	13.00	6.25	2.75
45	0.1087	0.0720	13.00	6.00	2.50
50	0.1799	0.1360	11.25	5.75	2.75
55	0.2828	0.2400	11.75	5.50	3.25
60	0.4441		12.00	6.00	
64	0.6475		15.00	7.50	
	Female				
20	0.0139%	0.0000%	28.00%		
25	0.0148	0.0000	13.50	12.00%	
30	0.0235	0.0000	13.50	7.00	6.00%
35	0.0345	0.0152	13.00	7.00	4.00
40	0.0493	0.0312	12.00	6.50	3.00
45	0.0728	0.0650	10.75	6.00	2.50
50	0.1107	0.1400	10.75	5.50	3.00
55	0.1687	0.3400	10.75	5.00	3.00
60	0.2554		11.50	5.50	
64	0.3665		15.00	7.50	

* The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% is used for death prior to retirement. Future improvement in mortality rates is assumed using the MP-2019 projection scale generationally. These rates of improvement have been reduced by 20% for all years prior to the ultimate rate. The proposed rates shown above are based on a projection to 2015. Actual mortality rates would be projected generationally.



SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



SCHOOL PERSONNEL OPEB FUND MEMBERS PARTICIPATING IN THE TEACHERS RETIREMENT SYSTEM OF GEORGIA

DEATHS AFTER RETIREMENT: The Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally is used for death after service retirement and beneficiaries. The rates of improvement have been reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally is used for death after disability retirement. The rates of improvement have been reduced by 20% for all years prior to the ultimate rate. The representative rates shown below are based on a projection to 2015. Actual mortality rates are projected generationally to the year of the measurement.

Age	Annual Rate of Death After			
	Service Retirement*		Disabled Retirement*	
	Male	Female	Male	Female
40	0.0714%	0.0493%	0.8444%	0.7386%
45	0.1087	0.0728	1.2146	1.1004
50	0.1799	0.1107	1.8432	1.6181
55	0.5241	0.3901	2.4790	1.9679
60	0.6440	0.4136	3.0569	2.2548
65	0.8433	0.5260	3.7177	2.6170
70	1.4580	0.9329	4.6328	3.3740
75	2.7028	1.7905	6.1798	4.7842
80	4.9635	3.4310	8.8648	7.2311
85	9.0522	6.5905	13.0223	11.2015
90	16.0712	12.3050	18.8001	16.0832
95	26.1186	21.7258	27.0439	22.7586

* Rates as of 2015



SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



SCHOOL PERSONNEL OPEB FUND MEMBERS PARTICIPATING IN THE GEORGIA PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM

Actuarial assumptions and methods were adopted by the Georgia Public School Employees Retirement System Board on December 17, 2020.

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

Age	Annual Rates of Withdrawal			Disability
	Years of Service			
	0-4	5-9	10 & Over	Males
	Males			Males
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
	Females			Females
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 C – ACTUARIAL ASSUMPTIONS AND METHODS



SCHOOL PERSONNEL OPEB FUND MEMBERS PARTICIPATING IN THE GEORGIA PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM

RETIREMENT:

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 C – ACTUARIAL ASSUMPTIONS AND METHODS



SCHOOL PERSONNEL OPEB FUND MEMBERS PARTICIPATING IN THE GEORGIA PUBLIC SCHOOL EMPLOYEES RETIREMENT SYSTEM

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



SCHEDULE D – ACTUARIAL COST METHOD



1. The valuation is prepared on the projected benefit basis, under which the present value is calculated at the interest rate assumed to be earned in the future (currently 5.28% for disclosure), of each participant's expected retiree health benefit at retirement or death based on his age and service. The calculations take into account the probability of a participant's death or termination of employment prior to becoming eligible for a benefit, as well as the probability of his terminating with a service, disability or survivor's benefit. The present value of the expected benefits payable on account of the active participants is added to the present value of the expected future payments to retired participants and beneficiaries to obtain the present value of all expected benefits payable from the Plan on account of the present group of participants and beneficiaries.
2. The service cost is determined using the "entry age normal" method. Using this method, a calculation is made to determine the uniform and constant percentage rate of employer contribution which, if applied to the compensation of each participant during the entire period of his anticipated covered service, would be required in addition to the contributions of the participant to meet the cost of all benefits payable on his behalf.
3. The present value of future unfunded accrued liability contributions is determined by subtracting the present value of prospective normal contributions, together with the current assets held, from the present value of expected benefits to be paid from the Plan.

