

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



**GASB STATEMENT  
NO. 74 REPORT**

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**PREPARED FOR JUNE 30, 2024  
FINANCIAL REPORTING**



October 9, 2024

Georgia Department of Community Health  
Financial Services 17<sup>th</sup> 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 State 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, 2024. 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, 2023 was used as the basis for much of the information presented as of June 30, 2024 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, 2023 valuation, 1,055 active members out of over 45,000 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. 5 active members were missing information regarding gender, so gender was assumed to be female.

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, MAAA  
Associate Actuary



Section	
I	Summary of Principal Results ..... 1
II	Introduction ..... 2
III	Financial Statement Notes ..... 3
IV	Required Supplementary Information ..... 8
Schedule	
A	Required Supplementary Information Tables..... 10
B	Summary of Benefit Provisions Valued ..... 13
C	Actuarial Assumptions and Methods ..... 18
D	Actuarial Cost Method ..... 29



## SECTION I – SUMMARY OF PRINCIPAL RESULTS



**REPORT OF THE ANNUAL GASB STATEMENT NO. 74  
REQUIRED INFORMATION FOR THE  
GEORGIA STATE EMPLOYEES POST-EMPLOYMENT HEALTH BENEFIT FUND  
PREPARED AS OF JUNE 30, 2024**

<b>Valuation Date (VD):</b>	June 30, 2023
<b>Prior Measurement Date:</b>	June 30, 2023
<b>Measurement Date (MD):</b>	June 30, 2024
<b>Membership Data as of June 30, 2023:</b>	
Inactive Members or Beneficiaries Currently Receiving Benefits*	37,050
Active Members**	45,714
Total Membership	<u>82,764</u>
<b>Discount Rate:</b>	
Long-Term Expected Rate of Return	7.00%
Municipal Bond Index Rate at Measurement Date	3.93%
Municipal Bond Index Rate at Prior Measurement Date	3.65%
Year in which Fiduciary Net Position is Projected to be Depleted	N/A
Single Equivalent Interest Rate at Measurement Date	7.00%
Single Equivalent Interest Rate at Prior Measurement Date	7.00%
<b>Net OPEB Liability:</b>	
Total OPEB Liability (TOL)	\$ 2,454,731,790
Fiduciary Net Position (FNP)	<u>2,706,804,814</u>
Net OPEB Liability (NOL = TOL – FNP)	\$ (252,073,024)
FNP as a percentage of TOL	110.27%

\*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 2023, data was collected for 12,439 State 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.





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, 2024 (the Measurement Date) to assist the Georgia State 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, 2023.

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](http://www.bondbuyer.com)). The Municipal Bond Index Rate as of June 30, 2024 was 3.93%. For the purpose of this report, we have determined that a discount rate of 7.00% meets the requirements of GASB 74, since current assets are expected to cover all future benefit payments.

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, 2023, the date of the valuation used to determine the June 30, 2024 Total OPEB Liability.

Membership	Number
Inactive Members Or Their Beneficiaries Currently Receiving Benefits*	37,050
Inactive Members Entitled To But Not Yet Receiving Benefits	0
Active Members**	<u>45,714</u>
Total	82,764

\*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 2023, data was collected for 12,439 State 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, 2024, is presented in the following table.

Fiscal Year Ending June 30, 2024	
Total OPEB Liability	\$ 2,454,731,790
Fiduciary Net Position	<u>2,706,804,814</u>
Net OPEB Liability	\$ (252,073,024)
Ratio of Fiduciary Net Position to Total OPEB Liability	110.27%





**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, 2024 was determined based on an actuarial valuation prepared as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2024:

<b>Salary Increases*</b>	
ERS	3.00 – 6.75%
JRS	3.75%
LRS	N/A
<b>Long-Term Investment Rate of Return*</b>	7.00% compounded annually and net of Investment expense
<b>Municipal Bond Index Rate</b>	3.93%
<b>Year FNP is Projected to be Depleted</b>	N/A
<b>Single Equivalent Interest Rate</b>	7.00%
<b>Health Care Cost Trend Rate*</b>	
Initial Trend Rate	6.75%
Ultimate Trend Rate	4.50%
Year of Ultimate Trend Rate	2032

\* Includes inflation at 2.50%

Pre-retirement mortality rates were based on the Pub-2010 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 Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% 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 Contingent Survivor Mortality Table (ages set forward two years and adjusted 106% for males and 105% for females) with the MP-2019 Projection scale applied generationally.

The actuarial assumptions used in the June 30, 2023 valuation are based on the results of the most recent actuarial experience studies for the pension systems, which covered the five year period ending June 30, 2019 and were adopted by the pension Board on December 17, 2020.





## SECTION III – FINANCIAL STATEMENT NOTES



Approximately 6.00% of State Employee OPEB Fund members who are included in the State Employee OPEB Fund Total OPEB Liability participate in the Georgia Teachers Retirement System. Assumptions for these members can be found in the School 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, 2023 valuation were based on a review of recent plan experience done concurrently with the June 30, 2023 valuation. The full set of actuarial assumptions used can be found in Schedule C.

Assets are invested in the same 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 provided to us by ERS 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%	2.60%	2.50%	5.10%
Equities	70.00%	9.10%	2.50%	11.60%
Total	100.00%			9.65%

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 7.00% meets the requirements of GASB 74, since current assets are expected to cover all future benefit payments.

### Paragraph 35.b.(1)

**Sensitivity analysis:** This paragraph requires disclosure of the sensitivity of the NOL to changes in the health care cost trend rates. The following exhibit 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	\$ (487,095,714)	\$ (252,073,024)	\$ 24,154,349





### Paragraph 35.b.(2)

- (a) **Discount rate.** The discount rate used to measure the Total OPEB Liability was 7.00%.
- (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 2123.
- (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 7.00%, as well as the NOL calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

Interest Rates			
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB Liability	\$ (16,713,265)	\$ (252,073,024)	\$ (454,620,322)



## SECTION III – FINANCIAL STATEMENT NOTES



**Paragraph 35.c.:** June 30, 2023 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, 2023 through June 30, 2024, 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, 2024, as shown in the following table:

TOL Roll Forward		
(a)	TOL as of June 30, 2023*	\$ 2,314,186,274
(b)	Actual Benefit Payments and Refunds for the Period July 1, 2023 - June 30, 2024	(164,765,069)
(c)	Interest on TOL = [(a) x Prior SEIR] + [(b) x Prior SEIR x 0.50]	156,226,262
(d)	Service Cost for the Period July 1, 2023 - June 30, 2024 at the End of the Period	34,477,822
(e)	Change Due to Experience	82,857,553
(f)	Change Due to Change in Assumptions	31,748,948
(g)	TOL Rolled Forward to June 30, 2024 = (a) + (b) + (c) + (d) + (e) + (f)	\$ 2,454,731,790

\* The TOL as of June 30, 2023 used in the roll forward was calculated using the discount rate as of the Prior Measurement Date. The Change Due to Experience 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 Medicare health care trend rates.



## 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:***

6/30/2023 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.

6/30/2019 valuation: The inflation assumption was lowered from 2.75% to 2.50% in anticipation of the upcoming ERS Experience Study. Additionally, decremental assumptions were changed to reflect the Teachers Retirement Systems experience study. Approximately 6.00% of employees are members of the Teachers Retirement System.

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:

<b>Actuarial Cost Method</b>	Projected Unit Credit
<b>Amortization Method</b>	Level Percent of Pay, Open
<b>Remaining Amortization Period</b>	30 years
<b>Asset Valuation Method</b>	Market Value of Assets
<b>Investment Rate of Return*</b>	7.00%
<b>Health Care Cost Trend Rate*</b>	
Initial Trend Rate	
Pre-Medicare Eligible	6.50%
Medicare Eligible	5.00%
Ultimate Trend Rate	
Pre-Medicare Eligible	4.50%
Medicare Eligible	4.50%
Year of Ultimate Trend Rate	
Pre-Medicare Eligible	2029
Medicare Eligible	2023

\* 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
<b>Total OPEB Liability</b>								
Service Cost at the end of the year	\$ 119,685,673	\$ 112,296,929	\$ 63,723,731	\$ 39,825,418	\$ 40,438,445	\$ 32,411,799	\$ 31,683,428	\$ 34,477,822
Interest on TOL and Cash Flow s	158,095,696	174,427,008	194,860,309	203,199,955	191,883,927	149,226,073	150,839,352	156,226,262
Change in benefit terms	0	0	0	0	0	0	0	0
Difference between expected and actual experience	0	(267,124,127)	(371,756,790)	(185,260,962)	(657,642,662)	18,509,202	(109,191,815)	82,857,553
Changes of assumptions or other inputs	(383,932,246)	(963,394,129)	(676,764,727)	26,554,885	(4,267,857)	0	181,610,707	31,748,948
Benefit payments*	(162,144,513)	(167,895,537)	(168,992,928)	(149,922,280)	(150,033,056)	(162,993,879)	(191,206,573)	(164,765,069)
Refund of contributions	0	0	0	0	0	0	0	0
<b>Net change in Total OPEB Liability</b>	<b>\$ (268,295,390)</b>	<b>\$ (1,111,689,856)</b>	<b>\$ (958,930,405)</b>	<b>\$ (65,602,984)</b>	<b>\$ (579,621,203)</b>	<b>\$ 37,153,195</b>	<b>\$ 63,735,099</b>	<b>\$ 140,545,516</b>
<b>Total OPEB Liability - beginning</b>	<b>\$ 5,197,437,818</b>	<b>\$ 4,929,142,428</b>	<b>\$ 3,817,452,572</b>	<b>\$ 2,858,522,167</b>	<b>\$ 2,792,919,183</b>	<b>\$ 2,213,297,980</b>	<b>\$ 2,250,451,175</b>	<b>\$ 2,314,186,274</b>
<b>Total OPEB Liability - ending (a)</b>	<b>\$ 4,929,142,428</b>	<b>\$ 3,817,452,572</b>	<b>\$ 2,858,522,167</b>	<b>\$ 2,792,919,183</b>	<b>\$ 2,213,297,980</b>	<b>\$ 2,250,451,175</b>	<b>\$ 2,314,186,274</b>	<b>\$ 2,454,731,790</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - employer	\$ 498,201,623	\$ 501,574,024	\$ 534,672,565	\$ 150,489,009	\$ 151,708,520	\$ 161,693,246	\$ 177,692,980	\$ 449,603,596
Contributions - non-employer	0	0	0	0	0	0	0	0
Contributions - member	0	0	0	0	0	0	0	0
Net investment income	4,695,785	15,300,248	51,687,539	51,937,607	270,803,123	(134,598,469)	244,739,131	392,935,214
Benefit payments*	(162,144,513)	(167,895,537)	(168,992,928)	(149,922,280)	(150,033,056)	(162,993,879)	(191,206,573)	(164,765,069)
Administrative costs	(2,077,117)	(2,050,531)	(2,025,815)	(2,188,169)	(1,557,254)	(1,410,128)	(1,615,281)	(1,712,560)
Refund of contributions	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
<b>Net change in Plan Fiduciary Net Position</b>	<b>\$ 338,675,778</b>	<b>\$ 346,928,204</b>	<b>\$ 415,341,361</b>	<b>\$ 50,316,167</b>	<b>\$ 270,921,333</b>	<b>\$ (137,309,230)</b>	<b>\$ 229,610,257</b>	<b>\$ 676,061,181</b>
<b>Plan Fiduciary Net Position - beginning**</b>	<b>\$ 516,261,377</b>	<b>\$ 854,937,155</b>	<b>\$ 1,201,865,359</b>	<b>\$ 1,617,205,106</b>	<b>\$ 1,667,521,273</b>	<b>\$ 1,938,442,606</b>	<b>\$ 1,801,133,376</b>	<b>\$ 2,030,743,633</b>
<b>Plan Fiduciary Net Position - ending (b)</b>	<b>\$ 854,937,155</b>	<b>\$ 1,201,865,359</b>	<b>\$ 1,617,206,720</b>	<b>\$ 1,667,521,273</b>	<b>\$ 1,938,442,606</b>	<b>\$ 1,801,133,376</b>	<b>\$ 2,030,743,633</b>	<b>\$ 2,706,804,814</b>
<b>Net OPEB Liability - ending (a) - (b)</b>	<b>\$ 4,074,205,273</b>	<b>\$ 2,615,587,213</b>	<b>\$ 1,241,315,447</b>	<b>\$ 1,125,397,910</b>	<b>\$ 274,855,374</b>	<b>\$ 449,317,799</b>	<b>\$ 283,442,641</b>	<b>\$ (252,073,024)</b>

\* 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
Total OPEB Liability	\$ 4,929,142,428	\$ 3,817,452,572	\$ 2,858,522,167	\$ 2,792,919,183	\$ 2,213,297,980	\$ 2,250,451,175	\$ 2,314,186,274	\$ 2,454,731,790
Plan Fiduciary Net Position	854,937,155	1,201,865,359	1,617,206,720	1,667,521,273	1,938,442,606	1,801,133,376	2,030,743,633	2,706,804,814
Net OPEB Liability	\$ 4,074,205,273	\$ 2,615,587,213	\$ 1,241,315,447	\$ 1,125,397,910	\$ 274,855,374	\$ 449,317,799	\$ 283,442,641	\$ (252,073,024)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	17.34%	31.48%	56.57%	59.71%	87.58%	80.03%	87.75%	110.27%
Covered Payroll	\$ 2,483,060,000	\$ 2,535,722,000	\$ 2,802,815,000	\$ 2,797,240,916	\$ 2,815,892,316	\$ 2,673,570,122	\$ 2,772,498,728	\$ 3,123,640,795
Net OPEB Liability as a percentage of covered payroll	164.08%	103.15%	44.29%	40.23%	9.76%	16.81%	10.22%	(8.07)%





## SCHEDULE A – REQUIRED SUPPLEMENTARY INFORMATION TABLES

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

Fiscal Year Ending June 30	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Employer Contribution (ADEC)	\$ 51,658	\$ 105,488	\$ 152,792	\$ 178,423	\$ 210,034	\$ 218,962	\$ 232,161	\$ 202,092	\$ 259,250	\$ 275,681
Contributions in relation to the ADEC	449,604	177,693	161,693	151,709	150,489	534,673	501,574	498,202	574,015	267,235
Annual contribution deficiency (excess)	\$ (397,946)	\$ (72,205)	\$ (8,901)	\$ 26,714	\$ 59,545	\$ (315,711)	\$ (269,413)	\$ (296,110)	\$ (314,765)	\$ 8,446
Covered Payroll	\$ 3,123,641	\$ 2,772,499	\$ 2,673,570	\$ 2,815,892	\$ 2,797,241	\$ 2,802,815	\$ 2,535,722	\$ 2,483,060	\$ 2,404,901	\$ 2,333,060
Actual contributions as a percentage of covered payroll	14.39%	6.41%	6.05%	5.39%	5.38%	19.08%	19.78%	20.06%	23.87%	11.45%







### State Employee OPEB Fund Eligibility

Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from any of the retirement systems listed below. “Old Plan” means the plan applicable to members beginning employment prior to July 1, 1982. “New Plan” means the plan applicable to members employed on or after July 1, 1982 and before January 1, 2009. “GSEPS” means the plan applicable to members employed on or after January 1, 2009.

- Employees’ Retirement System (GSEP Non-Police)
  - Service Retirement: 25 years of service or age 60 with 10 years of service
  - Disability Retirement: 15 years of service
  - Active Death Surviving Spouse: 15 years of service
- Employees’ Retirement System (GSEP Police)
  - Service Retirement: 30 years of service or age 55 with 10 years of service
  - Disability Retirement: 15 years of service
  - Active Death Surviving Spouse: 13 years and 4 months of service
- Employees’ Retirement System (Police)
  - Service Retirement: 30 years of service or age 55 with 10 years of service
  - Disability Retirement: 13 years and 4 months of service
  - Active Death Surviving Spouse: 13 years and 4 months of service
- Employees’ Retirement System (Old & New Plan Non-Police)
  - Service Retirement: 25 years of service or age 60 with 10 years of service
  - Disability Retirement: 13 years and 4 months of service
  - Active Death Surviving Spouse: 13 years and 4 months of service or age 60 with 10 years of service
- Judicial Retirement System
  - Service Retirement: age 60 with 10 years of service
  - Disability Retirement: 4 years of service
  - Active Death Surviving Spouse: 10 years of service
- Legislative Retirement System
  - Service Retirement: age 60 with 8 years of service
  - Disability Retirement: age 60 with 8 years of service
  - Active Death Surviving Spouse: 15 years of service or age 60 with 8 years of service

Retirees from other systems who may be eligible for post-employment benefits other than pensions were included in the valuation if they were included in the DCH census data. Employees with payroll location codes less than 60000 were included in the State Employee OPEB Fund. Approximately 6.00% of these employees are members of the Teachers Retirement System. Information about this System can be found in the report for the School Employee OPEB Fund.



## SCHEDULE B – SUMMARY OF BENEFIT PROVISIONS VALUED



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.

### **2024 Plan Options**

The plan designs offered for the 2024 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>.



## SCHEDULE B – SUMMARY OF BENEFIT PROVISIONS VALUED



### Premiums

Retiree premiums vary based on plan election, dependent coverage, Medicare eligibility and election. Premiums shown are monthly and are effective January 1, 2024.

### STATE HEALTH BENEFIT PLAN ANNUITANT UNDER 65 RATES JANUARY 1 – DECEMBER 31, 2024

	YOU	YOU + CHILD(REN)	YOU + SPOUSE	YOU + FAMILY
Anthem Gold	\$188.56	\$343.04	\$464.72	\$619.20
Anthem Silver	125.19	235.32	331.65	441.78
Anthem Bronze	77.69	154.57	231.90	308.78
Anthem HMO	148.53	274.99	380.66	507.12
UHC HMO	177.91	324.94	442.36	589.39
UHC HDHP	63.36	130.20	201.80	268.64
Kaiser HMO	169.54	311.96	430.64	573.06

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, 2024 are as follows:

Annuitant Medicare Eligible Rates	
Medicare Advantage Plan	Retiree Premium
UHC Standard MA	\$ 0.00
UHC Premium MA	\$ 168.22
Anthem Standard MA	\$ 156.15
Anthem Premium MA	\$ 325.88



## SCHEDULE B – SUMMARY OF BENEFIT PROVISIONS VALUED



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

**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:

2024 Rates				
Medical Plan	Under 65 Retiree with Under 65 Spouse (If Covered)			
	Ret Only	Ret + Ch	Ret + Sp	Family
Anthem Gold	\$1,003.82	\$1,706.49	\$2,108.02	\$2,810.69
Anthem Silver	940.45	1,598.77	1,974.95	2,633.27
Anthem Bronze	892.95	1,518.02	1,875.20	2,500.27
Anthem HMO	963.79	1,638.44	2,023.96	2,698.61
UHC HMO	993.17	1,688.39	2,085.66	2,780.88
UHC HDHP	878.62	1,493.65	1,845.10	2,460.13
Kaiser HMO	818.36	1,391.22	1,718.57	2,291.42

2024 Medicare Eligible				
Retiree Coverage Tier	Anthem MA Plans		UHC MA Plans	
	MA Prem	MA Std	MA Prem	MA Std
Retiree Only	\$388.46	\$156.15	\$230.80	\$0.00
Retiree & Spouse	776.92	312.30	461.60	0.00

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



## SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



**VALUATION DATE:** June 30, 2023

**DISCOUNT RATE:** 7.00% 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 ACA 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 and incorporated in the plan designs, which are included in the current baseline claims costs and trend assumption. For the IRA, in anticipation of 2025 Medicare Part D redesign, we increased the trend assumption from 2024 to 2025. Continued monitoring of the impact of both acts and other legislation, if applicable, on the Plan's liability 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:

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	\$5,595	\$9,129
45	6,934	9,665
50	9,056	11,261
55	11,882	13,119
60	15,306	15,301
64	18,694	17,913

\* Retirees selecting one of the HRA plans will also receive annual credits to use for eligible medical expenses. For 2024, 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. It is assumed that 50% of eligible plan participants receive the additional wellness credits.



## SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



2024 premium rates, trended to the valuation date, were used to develop the expected claims costs for Medicare Advantage Plan retirees. Based on recent experience, it is assumed that 95% of retirees will choose UHC plans and 5% 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	\$649	\$618
70	789	760
75	937	888
80	1,087	1,023
85	1,225	1,154
90	1,345	1,253

\* Claims costs for current retirees with no Medicare Part A coverage were assumed to be 373% of the claims shown above based on a review of premium cost and plan split between those with Medicare Part A and those without.

**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%. Because of the 2025 plan design changes to Medicare Part D due to the Inflation Reduction Act, we have increased our Medicare-eligible trend assumption from 2024 to 2025. Since the 2025 Medicare Advantage rates are unknown at this time, we estimated an increase in the \$0 UHC Standard premium to \$20 for 2025 and a 6.50% increase to all other MA plans.

Year	Pre-Medicare	Post-Medicare
2023	6.75%	6.75%
2024	6.50	17.50
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.

	State
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.

**ACTUARIAL VALUE OF ASSETS:** Market Value





## SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



Note: Approximately 6.00% of State Employee OPEB Fund members who are included in the State Employee OPEB Fund Total OPEB Liability participate in the Georgia Teachers Retirement System. Assumptions for these members can be found in the GASB 74 report for the School Employee OPEB Fund as of measurement date June 30, 2024.

### STATE EMPLOYEE OPEB FUND MEMBERS PARTICIPATING IN THE EMPLOYEES RETIREMENT SYSTEM OF GEORGIA

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

#### SALARY INCREASES:

Service	Assumed Annual Rate of Salary Increase
1	6.75%
2	5.75
3	5.25
4	5.00
5	4.75
10	4.30
15	4.05
20	3.80
25	3.55
30	3.30
35 & Over	3.00

**RATES OF DISABILITY:** Representative values of the assumed annual rates of disability are as follows.

Age	Non-Law Enforcement		Law Enforcement
	Male	Female	
20	0.000%	0.000%	0.000%
25	0.000	0.000	0.000
30	0.010	0.005	0.050
35	0.040	0.010	0.125
40	0.200	0.085	1.125
45	0.375	0.215	2.625
50	0.625	0.365	3.625
55	0.875	0.565	4.125
60	--	--	--



## SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



### STATE EMPLOYEE OPEB FUND MEMBERS PARTICIPATING IN THE EMPLOYEES RETIREMENT SYSTEM OF GEORGIA

**RATES OF WITHDRAWAL:** Representative values of the assumed annual rates of withdrawal are as follows.

Non-Law Enforcement			
Age	Years of Service		
	0-4	5-9	10 & Over
	Male		
20	40.00%		
25	30.00	16.25%	
30	25.00	12.50	8.00%
35	23.00	10.50	6.25
40	20.00	9.50	4.75
45	20.00	8.50	4.00
50	17.00	7.25	4.50
55	15.00	6.75	4.75
60	14.50	5.50	--
65	14.50	12.50	--
Age	Female		
20	35.00%		
25	27.00	18.00%	
30	23.00	12.50	9.00%
35	20.00	10.25	6.50
40	18.00	9.00	5.25
45	17.00	8.00	4.25
50	16.00	7.50	4.25
55	15.00	7.25	4.25
60	15.50	7.00	--
65	16.50	12.00	--

Law Enforcement		
Age	Years of Service	
	0-9	10 & Over
20	11.00%	
25	6.50	3.00%
30	5.25	3.00
35	5.25	3.00
40	5.25	2.50
45	5.25	2.50
50	5.25	2.50
55	--	--



## SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



### STATE EMPLOYEE OPEB FUND MEMBERS PARTICIPATING IN THE EMPLOYEES RETIREMENT SYSTEM OF GEORGIA

**RATES OF RETIREMENT:** Representative values of the assumed annual rates of service retirement are as follows.

Age	Non-Law Enforcement Old Plan							
	Early Retirement		Age 60 or 30 years		34 years		More than 34 years	
	Male	Female	Male	Female	Male	Female	Male	Female
50	2.0%	2.0%	7.5%	6.0%	100.0%	100.0%	90.0%	100.0%
52	2.0	2.0	7.5	6.0	100.0	100.0	90.0	100.0
55	3.0	3.5	7.5	10.0	100.0	100.0	75.0	90.0
57	3.0	5.0	10.5	10.0	100.0	100.0	70.0	70.0
60			15.0	20.0	97.5	95.0	40.0	55.0
62			32.0	40.0	97.5	95.0	40.0	65.0
65			35.0	40.0	35.0	40.0	35.0	40.0
67			35.0	35.0	35.0	35.0	35.0	35.0
70			35.0	35.0	35.0	35.0	35.0	35.0
75			100.0	100.0	100.0	100.0	100.0	100.0

Age	Non-Law Enforcement New Plan and GSEPS				Law Enforcement
	Early Retirement		Normal Retirement		
	Male	Female	Male*	Female**	
50	5.0%	3.80%	60.0%	42.0%	75.0%
52	5.0	3.80	50.0	42.0	60.0
55	6.0	5.80	50.0	40.0	15.0
57	6.0	7.30	45.0	37.0	15.0
60			25.0	28.0	30.0
62			37.5	37.5	35.0
65			32.0	33.0	25.0
67			32.0	32.0	25.0
70			30.0	30.0	100.0
75			100.0	100.0	

\* An additional 20% are assumed to retire in the first year eligible for unreduced retirement with 30 years of service before age 60.

\*\* An additional 25% for ages below 53 and 20% for ages 53 to 59 are assumed to retire in the first year eligible for unreduced retirement with 30 years of service before age 60.



## SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



### STATE EMPLOYEE OPEB FUND MEMBERS PARTICIPATING IN THE EMPLOYEES RETIREMENT SYSTEM OF GEORGIA

**RATES OF DEATH BEFORE RETIREMENT:** The Pub-2010 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	0.0370%	0.0130%	45	0.0980%	0.0560%
25	0.0280	0.0090	50	0.1490	0.0830
30	0.0360	0.0150	55	0.2190	0.1230
35	0.0470	0.0230	60	0.3190	0.1860
40	0.0660	0.0360	65	0.4680	0.2960

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

**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 Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2; Female: +2	Male: 106%; Female: 105%

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

Annual Rates of Death*						
Age	Service Retirement		Disability Retirement		Beneficiaries	
	Males	Females	Males	Females	Males	Females
50	0.3371%	0.2516%	1.2576%	1.5720%	0.7918%	0.3843%
55	0.4861	0.3251	1.8725	1.8465	0.9402	0.5334
60	0.6941	0.4493	2.3484	2.0734	1.1978	0.7529
65	1.0532	0.7366	2.7573	2.3914	1.7257	1.1057
70	1.7882	1.2863	3.4536	3.0337	2.7157	1.7000
75	3.1448	2.2799	4.4743	4.2432	4.3036	2.7500
80	5.6427	4.0900	6.0986	6.3674	6.8879	4.6778
85	10.0958	7.6043	8.8220	9.8909	11.3049	8.4315
90	16.9785	13.8596	12.9831	14.4849	18.6083	14.6496

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



## SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



### STATE EMPLOYEE OPEB FUND MEMBERS PARTICIPATING IN THE GEORGIA JUDICIAL RETIREMENT SYSTEM

**SALARY INCREASES:** 3.75% annually.

#### **RATES OF WITHDRAWAL AND DISABILITY BEFORE SERVICE RETIREMENT:**

Representative values of the assumed annual rates of withdrawal and disability before service retirement are as follows:

Age	Annual Rates of	
	Withdrawal	Disability
25	5.00%	0.0125%
30	5.00	0.0250
35	5.00	0.0375
40	4.00	0.0500
45	3.50	0.0875
50	2.75	0.1250
55	2.75	0.2250
60	2.50	0.3625
65	2.50	0.5875

**RETIREMENT:** The assumed annual rates of retirement are shown below.

Age	Annual Rates of Retirement
60	15%
61 – 64	10
65	13
66 – 67	15
68 – 69	18
70 – 77	25
78	100



## SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



### STATE EMPLOYEE OPEB FUND MEMBERS PARTICIPATING IN THE GEORGIA JUDICIAL RETIREMENT SYSTEM

**RATES OF DEATH BEFORE RETIREMENT:** The Pub-2010 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	0.0370%	0.0130%	45	0.0980%	0.0560%
25	0.0280	0.0090	50	0.1490	0.0830
30	0.0360	0.0150	55	0.2190	0.1230
35	0.0470	0.0230	60	0.3190	0.1860
40	0.0660	0.0360	65	0.4680	0.2960

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

**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 Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2; Female: +2	Male: 106%; Female: 105%

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

Annual Rates of Death*						
Age	Service Retirement		Disability Retirement		Beneficiaries	
	Males	Females	Males	Females	Males	Females
50	0.3371%	0.2516%	1.2576%	1.5720%	0.7918%	0.3843%
55	0.4861	0.3251	1.8725	1.8465	0.9402	0.5334
60	0.6941	0.4493	2.3484	2.0734	1.1978	0.7529
65	1.0532	0.7366	2.7573	2.3914	1.7257	1.1057
70	1.7882	1.2863	3.4536	3.0337	2.7157	1.7000
75	3.1448	2.2799	4.4743	4.2432	4.3036	2.7500
80	5.6427	4.0900	6.0986	6.3674	6.8879	4.6778
85	10.0958	7.6043	8.8220	9.8909	11.3049	8.4315
90	16.9785	13.8596	12.9831	14.4849	18.6083	14.6496

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



## SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



### STATE EMPLOYEE OPEB FUND MEMBERS PARTICIPATING IN THE GEORGIA LEGISLATIVE RETIREMENT SYSTEM

**SALARY INCREASES:** None.

**RATES OF WITHDRAWAL BEFORE SERVICE RETIREMENT:** Representative values of the assumed annual rates of withdrawal before service retirement are as follows:

Age	Annual Rates of Withdrawal
25	9.00%
30	9.00
35	9.00
40	10.00
45	11.00
50	9.25
55	8.00
60	8.00
65	8.00

**SERVICE RETIREMENT:** The assumed annual rates of retirement are shown below:

Age	Annual Rate	Age	Annual Rate
60	8%	66	10%
61	8	67	10
62	12	68	10
63	8	69	15
64	8	70-79	15
65	10	80	100



## SCHEDULE C – ACTUARIAL ASSUMPTIONS AND METHODS



### STATE EMPLOYEE OPEB FUND MEMBERS PARTICIPATING IN THE GEORGIA LEGISLATIVE RETIREMENT SYSTEM

**RATES OF DEATH BEFORE RETIREMENT:** The Pub-2010 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	0.0370%	0.0130%	45	0.0980%	0.0560%
25	0.0280	0.0090	50	0.1490	0.0830
30	0.0360	0.0150	55	0.2190	0.1230
35	0.0470	0.0230	60	0.3190	0.1860
40	0.0660	0.0360	65	0.4680	0.2960

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

**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 Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2; Female: +2	Male: 106%; Female: 105%

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

Annual Rates of Death*						
Age	Service Retirement		Disability Retirement		Beneficiaries	
	Males	Females	Males	Females	Males	Females
50	0.3371%	0.2516%	1.2576%	1.5720%	0.7918%	0.3843%
55	0.4861	0.3251	1.8725	1.8465	0.9402	0.5334
60	0.6941	0.4493	2.3484	2.0734	1.1978	0.7529
65	1.0532	0.7366	2.7573	2.3914	1.7257	1.1057
70	1.7882	1.2863	3.4536	3.0337	2.7157	1.7000
75	3.1448	2.2799	4.4743	4.2432	4.3036	2.7500
80	5.6427	4.0900	6.0986	6.3674	6.8879	4.6778
85	10.0958	7.6043	8.8220	9.8909	11.3049	8.4315
90	16.9785	13.8596	12.9831	14.4849	18.6083	14.6496

\* 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 7.00% 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.

