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Report of the Actuary
on the Valuation of the
Georgia Firefighters' Pension Fund

Prepared as of June 30, 2015

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The experience and dedication you deserve

November 18, 2015

Mr. Morgan Wurst
Executive Director
Georgia Firefighters' Pension Fund
2171 East View Parkway
Conyers, GA 30013-5756

Dear Mr. Wurst:

Enclosed are 20 bound copies and one unbound copy of the "Report of the Actuary on the Valuation of the Georgia Firefighters' Pension Fund" prepared as of June 30, 2015.

Sincerely,

Edward J. Koebel, EA, FCA, MAAA
Principal and Consulting Actuary

Cathy Turcot
Principal and Managing Director

EJK:kc

Enclosures

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November 18, 2015

Board of Trustees
Georgia Firefighters' Pension Fund
2171 East View Parkway
Conyers, GA 30013-5756

Dear Members of the Board:

We are pleased to submit herewith the results of the annual actuarial valuation of the Georgia Firefighters' Pension Fund ("Fund") prepared as of June 30, 2015. The purpose of this report is to provide a summary of the funded status of the Fund as of June 30, 2015 and to recommend actuarially determined employer contributions. The information needed for this Fund under the new Governmental Accounting Standards Board Statements No. 67 and 68 will be provided in a separate report. However, for informational purposes only, we have also provided accounting information under GASB 25 and 27 in Section VI of the report. While not verifying the data at source, the actuary performed tests for consistency and reasonability.

The promised benefits of the Fund are included in the actuarially calculated contributions which are developed using the entry age cost method. A five-year smoothed market value of plan assets was used for the actuarial value of assets. Gains and losses are reflected in the total unfunded accrued liability which is being amortized on a level dollar basis in accordance with the funding policy adopted by the Board. The actuarially determined employer contribution is $28,030,287 for the fiscal year ending June 30, 2016. These contributions are sufficient to meet the minimum funding requirements under Title 47, Chapter 7 of the Official Code of Georgia. The assumptions recommended by the actuary and adopted by the Board are reasonably related to the experience under the Fund and to reasonable expectations of anticipated experience under the Fund.

Since the previous valuation, several economic and demographic assumptions and actuarial methods have been revised to reflect the results of the experience investigation for the six–year period ending June 30, 2015. There have been no changes to the plan provisions since the previous valuation.

This is to certify that the independent consulting actuary is a Member of the American Academy of Actuaries and has experience in performing valuations for public retirement funds, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the Fund and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the Fund.

The employer contributions to the Fund are based on premium tax revenues. Assuming that the actuarially determined employer contributions to the Fund are made from year to year in the future at the amount recommended on the basis of the successive actuarial valuations, the continued sufficiency of the retirement fund to provide the benefits called for under the Fund may be safely anticipated.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

We trust that the report will meet the approval of the Board and will furnish the desired information concerning the financial condition of the Fund.

Respectfully submitted,

Edward J. Koebel | Cathy Turcot

Edward J. Koebel, EA, FCA, MAAA
Principal and Consulting Actuary

Cathy Turcot
Principal and Managing Director

EJK/CT:kc

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GEORGIA FIREFIGHTERS' PENSION FUND
REPORT OF THE ACTUARY
ON THE VALUATION
PREPARED AS OF JUNE 30, 2015

SECTION I – SUMMARY OF PRINCIPAL RESULTS

1. For convenience of reference, the principal results of the current and preceding valuations are summarized below.

Valuation Date	**June 30, 2015**	**June 30, 2014**
Active members:		
Number	13,351	13,191
Retired members and beneficiaries:		
Number	4,821	4,567
Annual allowances	$ 40,629,648	$ 38,394,624
Number of terminated vested members	270	262
Assets:		
Market Value	$ 767,332,949	$ 761,114,847
Actuarial Value	736,894,306	675,420,989
Unfunded actuarial accrued liability	$ 186,940,621	$ 168,678,888
Blended Amortization Period	29.1 years	30 years
Funding Ratio	79.8%	80.0%
Fiscal Year Ending	**June 30, 2016**	**June 30, 2015**
Actuarially Determined Contribution (ADC):		
Employer Normal Cost	$ 14,294,082	$ 13,298,029
Accrued Liability	13,736,205	12,916,998
Total	$ 28,030,287	$ 26,215,027

2. The major benefit and contribution provisions of the Fund as reflected in the valuation are summarized in Schedule F. There were no changes in the plan provisions since the previous valuation.

3. An actuarial audit of the June 30, 2013 valuation was performed by The Terry Group with results outlined in a report on May 20, 2015. After a thorough review of The Terry Group's recommendations and an additional internal review of current valuation procedures, we have made a programming change to include the pop up provision in the joint and survivor benefit option.

4. Schedule D of this report outlines the full set of actuarial assumptions and methods used in the valuation. Since the previous valuation, several economic and demographic assumptions and actuarial methods have been revised to reflect the results of the experience investigation for the six-year period ending June 30, 2015. These revised assumptions are summarized in the following table.

Summary of Recommended Assumptions	
Economic Assumptions	
Price Inflation	Changed from 3.00% to 2.75%.
Real Rate of Investment Return	Changed from 6.50% to 6.00%.
Demographic Assumptions	
Withdrawal	Changed assumed rates.
Retirement	Changed assumed rates.
Mortality	Changed assumed rates.
Other Assumptions and Methods	
Administrative Expenses	No Change to current method of determining rate.
Amortization Method	No change to current method of level dollar amortization.
Asset Smoothing	No change to current method of smoothing market gains and losses over 5 year period.
Option Factors	Recommend change in current option factors to reflect change in mortality rate.
Marriage Assumption	No change in the percent married assumption or the number of years males are older than spouse.
Valuation Cost Method	No change in Entry Age Normal Cost Method.

4. The entry age actuarial cost method was used to prepare the valuation. Schedule E contains a brief description of the actuarial cost method.

5. Comments on the valuation results as of June 30, 2015 are given in Section IV and further discussion of the contributions is set out in Section V.

SECTION II – MEMBERSHIP DATA

1. Data regarding the membership of the Fund for use as a basis of the valuation were furnished by staff. The valuation included 13,351 active members.

2. The following table shows the number of retired members and beneficiaries as of June 30, 2015 together with the amount of their annual retirement benefits payable under the Fund as of that date.

THE NUMBER AND ANNUAL BENEFITS OF RETIRED MEMBERS AND BENEFICIARIES AS OF JUNE 30, 2015

GROUP	NUMBER*	ANNUAL RETIREMENT BENEFITS
Service Retirements	4,371	$ 37,247,484
Disability Retirements	36	260,496
Beneficiaries of Deceased Members	414	3,121,668
Total	4,821	$ 40,629,648

* In addition, there are 270 terminated members entitled to deferred vested benefits and 2,114 inactive members due a refund of their employee contributions.

3. Table 1 of Schedule I shows the status reconciliation since the last valuation. Table 2 of Schedule I shows the distribution by age and years of membership service of the number of active members included in the valuation. Table 3 of Schedule I shows the number and annual benefits of retired members and beneficiaries included in the valuation, distributed by age.

SECTION III – ASSETS

1. As of June 30, 2015, the total market value of assets amounted to $767,332,949, as reported by the auditor. The estimated investment return for the plan year was 2.07%. Schedule C shows the receipts and disbursements of the Fund for the year preceding the valuation date and a reconciliation of the Fund balances at market value.

2. The market-related actuarial value of assets using a five-year smoothing technique of investment gains and losses is $736,894,306. The estimated investment return for the plan year ending June 30, 2015 on an actuarial value of assets basis was 10.57%, which can be compared to the investment return assumed for the period of 6.50%. Schedule B shows the development of the actuarial value of assets as of June 30, 2015.

SECTION IV – COMMENTS ON VALUATION

1. Schedule A of this report contains the valuation balance sheet which shows the present and prospective assets and liabilities of the Fund as of June 30, 2015. The valuation was prepared in accordance with the actuarial assumptions set forth in Schedule D and the actuarial cost method which is described in Schedule E.

2. The valuation balance sheet shows that the Fund has total prospective liabilities of $1,064,579,252 of which $487,301,798 is for the prospective benefits payable on account of present retired members, beneficiaries of deceased members, terminated members entitled to deferred benefits, and inactive members entitled to a refund of their employee contributions, and $577,277,454 is for the prospective benefits payable on account of present active members. Against these liabilities, the Fund has a total present actuarial value of assets of $736,894,306 as of June 30, 2015. The difference of $327,684,946 between the total liabilities and the total present assets represents the present value of future contributions.

3. The contributions to the Fund consist of normal contributions and accrued liability contributions. The valuation indicates that normal contributions of $18,299,382 are required to provide the currently accruing benefits of the Fund. Of this amount, $4,005,300 is expected to be paid by the members and the remaining $14,294,082 is required by the Fund.

4. Prospective normal contributions have a present value of $140,744,325. When this amount is subtracted from $327,684,946 which is the present value of the future contributions to be made, there remains $186,940,621 as the amount of unfunded accrued liability contributions.

5. The funding policy adopted by the Board, as shown in Schedule G, provides that the unfunded actuarial accrued liability as of June 30, 2014 (Transitional UAAL) will be amortized as a level dollar amount over a closed 30-year period. In each subsequent valuation all benefit changes, assumption and method changes and experience gains and/or losses that have occurred since the previous valuation will determine a New Incremental UAAL. Each New Incremental UAAL will be amortized as a level dollar amount over a closed 30-year period from the date it is established.

6. The Transitional UAAL as of June 30, 2014 was $168,678,888. The remaining balance of the Transitional UAAL as of June 30, 2015 of $166,726,018 was determined by adding interest at 6.50% and subtracting the expected annual amortization payment of $12,916,998 from last year's valuation.

7. The New Incremental UAAL of $20,214,603 as of June 30, 2015 is determined by subtracting the remaining balance of the Transitional UAAL from the total UAAL of $186,940,621 as of June 30, 2015. Schedule H of this report shows the amortization schedules for the Transitional UAAL and the New Incremental UAAL as of June 30, 2015.

8. The following table shows the components of the total UAAL and the derivation of the UAAL contribution rate in accordance with the funding policy:

TOTAL UAAL AND UAAL CONTRIBUTION RATE

	UAAL	**Amortization Period (years)**	**Amortization Payment (6.00%)**
Transitional	$166,726,018	29	$12,267,636
New Incremental 6/30/2015	20,214,603	30	1,468,569
Total UAAL	$186,940,621		$13,736,205

8. Of the $20.2 million increase in the UAAL for the 2015 valuation, $55.0 million was due to changes in assumptions and methods recommended from the recent experience study. However, this was offset by a $19.9 million gain from actuarial value of assets due to the five year smoothing method. Other gains and losses due to retirement and termination experience made up the remaining gain.

SECTION V – CONTRIBUTIONS PAYABLE

1. The required employer contributions consist of a normal contribution and an accrued liability contribution as determined by actuarial valuation.
2. The normal contribution is calculated as the annual level dollar amount which, if applied for the average new member during the entire period of his anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his behalf. On the basis of the valuation, the employer normal contribution is determined to be $14,294,082.
3. The accrued liability contribution on the basis of the Board's funding policy is $13,736,205.
4. Therefore, the total required contribution is $28,030,287.
5. The following table summarizes the employer contributions which were determined by the June 30, 2015 valuation and are recommended for use.

ACTUARIALLY DETERMINED CONTRIBUTIONS (ADC)
FOR FISCAL YEAR ENDING JUNE 30, 2016

	CONTRIBUTION
Employer Normal Cost	$14,294,082
Accrued Liability	13,736,205
Total	$28,030,287

SECTION VI – ACCOUNTING INFORMATION

Governmental Accounting Standards Board (GASB) has issued Statements No. 67 and 68 which replaced Statements No. 25 and 27 for plan years beginning after June 15, 2013. The information required under the new GASB Statements will be issued in separate reports. The following information is provided for informational purposes only.

1. The following is a distribution of the number of employees by type of membership, as follows:

NUMBER OF ACTIVE AND RETIRED PARTICIPANTS
AS OF JUNE 30, 2015

GROUP	NUMBER
Retired participants and beneficiaries currently receiving benefits	4,821
Terminated participants and beneficiaries entitled to benefits but not yet receiving benefits	2,384
Active Participants	13,351
Total	20,556

2. Another such item is the schedule of funding progress as shown below.

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b – a)	Funded Ratio (a / b)
6/30/2013#	$606,836,423	$ 816,798,723	$ 209,962,300	74.3%
6/30/2014	675,420,989	844,099,877	168,678,888	80.0%
6/30/2015#	736,894,306	923,834,927	186,940,621	79.8%

This is not a pay-related plan, so payroll related information has not been shown.
Reflects changes in assumptions.

3. The following shows the schedule of employer contributions.

Year Ending	Actuarially Determined Contribution	Percentage Contributed
June 30, 2010	$36,030,805	71%
June 30, 2011	36,030,805	73%
June 30, 2012	29,994,798	91%
June 30, 2013	29,994,798	96%
June 30, 2014	28,955,864	104%
June 30, 2015	26,215,027	120%

4. Additional information as of June 30, 2015 follows:

Valuation date	6/30/2015
Actuarial cost method	Entry age normal
Amortization period	Level dollar open
Blended amortization period	29.1 years
Asset valuation method	Five-year smoothed market value with 15% corridor
Actuarial assumptions:	
Investment rate of return (includes inflation)	6.00%
Projected salary increases (includes inflation)	N/A
Cost-of-living adjustments	N/A

SCHEDULE A

VALUATION BALANCE SHEET

The present and prospective assets and liabilities of the Fund as of June 30, 2015:

	ACTUARIAL LIABILITIES		
(1)	Present value of prospective benefits payable on account of present retired members, beneficiaries of deceased members, and terminated members entitled to deferred benefits		$487,301,798
(2)	Present value of prospective benefits payable on account of present active members		$577,277,454
(3)	Total Actuarial Liabilities		$1,064,579,252
	PRESENT AND PROSPECTIVE ASSETS		
(4)	Actuarial value of assets		$736,894,306
(5)	Present value of total future contributions: (3) – (4)	$327,684,946	
(6)	Present value of future normal contributions		$140,744,325
(7)	Unfunded accrued liability contributions: (5) – (6)		$186,940,621
(8)	Total Present and Prospective Assets		$1,064,579,252

SCHEDULE B

DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS AS OF JUNE 30, 2015

	07/01/2014 to 6/30/2015
(1) Actuarial Value Beginning of Year (Before Corridor Adjustment)	$ 675,420,989
(2) Market Value End of Year	$ 767,332,949
(3) Market Value Beginning of Year	$ 761,114,847
(4) Cash Flow	
(a) Contributions	$ 35,681,777
(b) Benefit Payments	(40,213,927)
(c) Administrative Expenses	(1,264,316)
(d) Investment Expenses	(3,643,764)
(e) Net: (4)(a) + (4)(b) + (4)(c) + (4)(d)	$ (9,440,230)
(5) Investment Income	
(a) Market Total: (2) – (3) – (4)(e)	$ 15,658,332
(b) Assumed Rate	6.50%
(c) Amount for Immediate Recognition: [(1) x (5)(b)] + [[(4)(a) + (4)(b) + (4)(c)] x (5)(b) x 0.5] – (4)(d)	$ 47,357,743
(d) Amount for Phased-In Recognition: (5)(a) – (5)(c)	$ (31,699,411)
(6) Phased-In Recognition of Investment Income	
(a) Current Year: 0.20*(5)(d)	$ (6,339,882)
(b) First Prior Year	14,238,454
(c) Second Prior Year	10,521,999
(d) Third Prior Year	(8,179,453)
(e) Fourth Prior Year	13,314,686
(f) Total Recognized Investment Gain	$ 23,555,804
(7) Actuarial Value End of Year: (1) + (4)(e) + (5)(c) + (6)(f)	$ 736,894,306
(8) Actuarial Value Rate of Return	10.57%

SCHEDULE C

RECONCILIATION OF THE MARKET VALUE OF ASSETS

	For the year ending:	
	June 30, 2014	June 30, 2015
Market Value Beginning of Year	$ 654,630,348	$ 761,114,847
Additions:		
Member Dues	$ 4,150,301	$ 4,192,648
Tax Revenue	30,051,924	31,489,129
Total Contributions	34,202,225	35,681,777
Investment Earnings	111,715,035	12,014,568
Total	$ 145,917,260	$ 47,696,345
Disbursements:		
Benefit Payments	$ (37,530,118)	$ (39,379,164)
Refunds	(693,549)	(834,763)
Administration Expense	(1,209,094)	(1,264,316)
Total	$ (39,432,761)	$ (41,478,243)
Change in Net Assets	$ 106,484,499	$ 6,218,102
Market Value End of Year	$ 761,114,847	$ 767,332,949
Investment Rate of Return	16.93%	2.07%

SCHEDULE D

OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS

INVESTMENT RETURN: 6.00% compounded annually

SEPARATIONS FROM ACTIVE SERVICE: For death rates, the RP-2000 Employee Mortality Table projected to 2025 with Projection Scale BB was used. Representative values of the assumed annual rates of separation from active service are as follows:

	Annual Rate of			
Age	Withdrawal		Death	
	Male	Female	Male	Female
20	7.00%	10.00%	0.032%	0.018%
25	5.50	8.50	0.035	0.019
30	5.00	8.50	0.041	0.025
35	4.00	8.50	0.072	0.044
40	3.25	6.00	0.100	0.066
45	3.25	5.00	0.140	0.104
50	3.25	5.00	0.198	0.156
55	4.50	6.00	0.281	0.223

RETIREMENT: Members who have worked at least 15 years are assumed to retire at the following rates:

Age	Rate	Age	Rate
50	15.0%	58	18.0%
51	10.0	59	18.0
52	10.0	60	22.0
53	10.0	61	25.0
54	25.0	62	22.0
55	25.0	63	24.0
56	20.0	64	40.0
57	18.0	65	100.0

DEATHS AFTER RETIREMENT: The RP-2000 Blue Collar Mortality Table projected to 2025 with projection scale BB set forward 1 year for males and set forward 4 years for females is used for the period after retirement and for dependent beneficiaries. For current disability retirees, mortality rates are based on the RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB set forward 5 years for males and set forward 3 years for females, however there are no longer any disability benefits included in the plan.

PERCENT MARRIED: 80% of active members are assumed to be married with the male three years older than his spouse.

ACTUARIAL VALUE OF ASSETS METHOD: Actuarial value, as developed in Schedule B. At July 1, 1997, the Actuarial Value of Assets was set to 85% of the July 1, 1997 market value. Each year the expected return is determined based on the investment return assumption applied to actuarial value. This expected return reflects the timing of contributions and benefit payments during the year. This return is compared to the actual return for the year based on market value. The difference is considered a gain or loss and is amortized over five years.

VALUATION METHOD: Entry age actuarial cost method. See Schedule E for a brief description of this method.

DUES: Expected dues are number of dues paying members times the annual dues rate.

SCHEDULE E

ACTUARIAL COST METHOD

1. The valuation is prepared on the projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future (currently 6.00%), of each member's expected benefits at retirement or death is determined, based on age, service and sex. The calculations take into account the probability of a member's death or termination of employment prior to becoming eligible for a benefit, as well as the possibility of his terminating with a service, disability or survivor's benefit. The present value of the expected benefits payable on account of the active members is added to the present value of the expected future payments to retired members and beneficiaries to obtain the present value of all expected benefits payable from the Fund on account of the present group of members and beneficiaries.
2. The employer contributions required to support the benefits of the Fund are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution.
3. The normal contribution is determined using the entry age actuarial cost method. Under this method, a calculation is made to determine the level dollar which, if applied for the average member during the entire period of his anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his behalf.
4. The unfunded accrued liability is determined by subtracting the present value of prospective employer normal contributions and member contributions, together with the current actuarial value of assets held, from the present value of expected benefits to be paid from the Fund.

SCHEDULE F

Georgia Firefighters' Pension Fund

Summary of Principal Plan Provisions
As Interpreted for Valuation Purposes

Current Plan Provisions: The plan provisions and contribution revenue are established under Chapter 7 of Title 47 of the Official Code of Georgia. The Chapter has established a five-member Board of Trustees to administer the Fund. The Georgia Legislature has sole authority to change plan provisions, except that the Fund's Trustees may approve ad hoc cost-of-living adjustments each six months not exceeding $1^1/_2$% per increase. The Georgia Legislature also determines sources of revenues to the Fund from the State and from Members. Employers are not required to make contributions to this fund.

Effective Date: 1955

Most Recent Amendment Effective Date: July 1, 2008.

Type of Plan: A defined benefit, public employee retirement system funded by Member contributions and tax revenues on insurance premiums in protected areas.

Eligibility: Any person employed as a firefighter or enrolled as a volunteer firefighter making required monthly dues. Members of Peace Officers' Annuity and Benefit Fund are excluded. Regular employees of the fund are eligible.

Credited Service: All service as a Member of the fund rendered while a firefighter or volunteer firefighter excluding years for volunteer firefighters who do not meet attendance, meeting or drill requirements and excluding any leave of absence time. The Board may calculate Credited Service on a monthly basis.

Normal Retirement Date: Full benefits paid at age 55 with at least 25 years of service. Reduced benefits paid if Member has at least 15 years of service.

Early Retirement Date: Age 50 with at least 15 years of service.

Retirement Benefit at Normal Retirement Date: A monthly retirement income increased 2% for each complete year of service over 25. If credited service is less than 25, the $882 per month is reduced by the ratio of credited service divided by 25 years. The $882 benefit is derived as follows:

		Change	Total Benefit
Benefit under Code Sec. 47-7-102(3) effective 7/1/1990	=	$570	$570
6% Increase to offset State Income Tax under Code Sec. 47-1-30	=	34	604
3% COLA adjustment on 8/1/1993	=	18	622
$1\frac{1}{2}$% COLA adjustment on 1/1/1994	=	9	631
$1\frac{1}{2}$% COLA adjustment on 7/1/1994	=	9	640
$1\frac{1}{2}$% COLA adjustment on 1/1/1995	=	10	650
$1\frac{1}{2}$% COLA adjustment on 7/1/1995	=	10	660
$1\frac{1}{2}$% COLA adjustment on 1/1/1996	=	10	670
$1\frac{1}{2}$% COLA adjustment on 7/1/1996	=	10	680
$1\frac{1}{2}$% COLA adjustment on 1/1/1997	=	10	690
$1\frac{1}{2}$% COLA adjustment on 7/1/1997	=	10	700
$1\frac{1}{2}$% COLA adjustment on 7/1/1998	=	10	710
$1\frac{1}{2}$% COLA adjustment on 7/1/1999	=	11	721
$1\frac{1}{2}$% COLA adjustment on 1/1/2000	=	11	732
$1\frac{1}{2}$% COLA adjustment on 7/1/2000	=	11	743
$1\frac{1}{2}$% COLA adjustment on 7/1/2001	=	11	754
$1\frac{1}{2}$% COLA adjustment on 7/1/2003	=	11	765
$1\frac{1}{2}$% COLA adjustment on 1/1/2004	=	11	776
$1\frac{1}{2}$% COLA adjustment on 7/1/2004	=	12	788
$1\frac{1}{2}$% COLA adjustment on 1/1/2005	=	12	800
$1\frac{1}{2}$% COLA adjustment on 7/1/2005	=	12	812
$1\frac{1}{2}$% COLA adjustment on 1/1/2006	=	12	824
$1\frac{1}{2}$% COLA adjustment on 7/1/2006	=	12	836
$1\frac{1}{2}$% COLA adjustment on 1/1/2007	=	13	849
$1\frac{1}{2}$% COLA adjustment on 7/1/2007	=	13	862
$1\frac{1}{2}$% COLA adjustment on 1/1/2008	=	13	875
$\frac{3}{4}$% COLA adjustment on 7/1/2008	=	7	882
Total benefit amount			$882

Retirement Benefit at Early Retirement Date: For retirement between ages 50 and 55, the benefit is reduced by 6% for each year which early retirement precedes age 55.

Disability: There is no longer a disability benefit.

Vesting: After completion of 15 years of service, a participant is 100% vested. If termination occurs prior to vesting, total member contributions are refunded, less 5%.

Vesting Benefit: The accrued benefit deferred to a minimum age 50.

Death Benefits: Prior to vesting, death benefit equals $5,000.00. After vesting, the death benefit is as prescribed by the Code. A Member with 15 years of creditable service has coverage for his or her spouse in the event the Member dies prior to commencing benefits. The coverage percentage is 100% of what the Member would have received under a joint and 100% survivor option and is payable when the Member would have become age 55. If the Member is not married, his or her beneficiary will receive benefits under the ten year certain option. The Member's benefit is not reduced to reflect the cost of this option (other than the normal reduction for a joint and survivor annuity).

Member Contributions (Dues): $25 per month. If Member terminates after 25 years of service but is not age 55, dues cease.

Normal Form of Payment: Life annuity.

Optional Forms of Payment: After retirement, the following options are available in exchange for an actuarial reduction in the Member's benefit.

A. Joint and Survivor Option at 100%, 75%, $66^{2}/_{3}$%, or 50 percent continuation

B. Ten Years Certain and Life Option

If a Joint and Survivor is elected and the spouse predeceases or divorces the Member, the benefit is increased (or "pops-up") to the amount that would have been payable if the Joint and Survivor Option had not been elected. There is no charge to the Member for the pop-up provision.

Reduction: Benefits can be reduced if funds are insufficient.

Postemployment Healthcare Benefits: None.

Cost-of-Living Allowance (COLA): There is no automatic provision. The Board of Trustees can make ad hoc increases up to 1 ½% every six months.

SCHEDULE G

FUNDING POLICY OF THE GEORGIA FIREFIGHTERS' PENSION FUND

The purpose of this Funding Policy is to state the overall objectives for the Georgia Firefighters' Pension Fund (Plan), the benchmarks that will be used to measure progress in achieving those goals, and the methods and assumptions that will be employed to develop the benchmarks. It is the intent of the Board that the Funding Policy outlined herein will remain unchanged until the objectives below are met.

I. Funding Objectives

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

- To maintain a stable or increasing funded ratio (ratio of actuarial value of assets to actuarial accrued liabilities) that reflects a trend of improved actuarial condition. The long-term objective is to obtain a 100% funded ratio over a reasonable period of future years.
- To maintain adequate asset levels to finance the benefits promised to members and monitor the future demand for liquidity.
- If required contribution amounts are larger than actual contributions or the funding ratio falls below 80%, than any benefit improvements should be funded through increases in contribution amounts.

II. Measures of Funding Progress

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

- **Funded ratio** – The funded ratio, defined as the actuarial value of assets divided by the actuarial accrued liability, should increase over time, before adjustments for changes in benefits, actuarial methods, and/or actuarial adjustments.
- **Unfunded Actuarial Accrued Liability (UAAL)**
  - **Transitional UAAL** – The UAAL established as of the initial valuation date for which this funding policy is adopted shall be known as the Transitional UAAL.
  - **New Incremental UAAL** – Each subsequent valuation will produce a New Incremental UAAL consisting of all benefit changes, assumption and method changes and experience gains and/or losses that have occurred since the previous valuations.
- **UAAL Amortization Period**
  - The transitional UAAL will be amortized over a closed 30 year period beginning on the initial valuation date for which this funding policy is adopted.
  - Each New Incremental UAAL shall be amortized over a closed 30 year period beginning with the year it is incurred.
  - The amortization of UAAL will be developed using the level dollar methodology.

- **Contributions**
    - Contributions to the Plan will continue to come from tax revenues on insurance premiums in protected areas collected by the state.
    - In each valuation, the actuary will calculate a minimum required annual contribution amount based on the methods and assumptions outlined in this funding policy. The required state contribution amount will be determined as the summation of the employer normal cost, the amortization amount for the Transitional UAAL and the individual amortization amount for each of the New Incremental UAAL bases.
    - In no event shall the required contribution amount be less than the employer normal cost.
    - The valuation methodology, including the amortization of the Unfunded Actuarial Accrued Liability (UAAL), would be expected to maintain reasonably stable contribution amounts.

III. Methods and Assumptions

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

- The actuarial cost method used to develop the benchmarks will be the Entry Age Normal (EAN) actuarial cost method.
- The long-term annual investment rate of return assumption will be 6.00% net of investment expenses.
- The actuarial value of assets will be determined by recognizing the annual differences between actual and expected market value of assets over a five-year period.

The minimum required contribution amounts determined in an annual actuarial valuation will be at least sufficient to satisfy the annual normal cost of the Plan and amortize the UAAL as a level dollar amount over a period not to exceed 30 years. However, in no event, shall the contribution amount be less than the employer normal cost.

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

IV. Funding Policy Progress

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

SCHEDULE H

AMORTIZATION OF UAAL

Valuation Date	Amortization Period	Balance of Transitional UAAL	Annual Amortization Payment
6/30/2014	30	168,678,888	12,916,998
6/30/2015	29	166,726,018	12,267,636
6/30/2016	28	164,461,943	12,267,636
6/30/2017	27	162,062,024	12,267,636
6/30/2018	26	159,518,109	12,267,636
6/30/2019	25	156,821,560	12,267,636
6/30/2020	24	153,963,218	12,267,636
6/30/2021	23	150,933,375	12,267,636
6/30/2022	22	147,721,742	12,267,636
6/30/2023	21	144,317,411	12,267,636
6/30/2024	20	140,708,820	12,267,636
6/30/2025	19	136,883,713	12,267,636
6/30/2026	18	132,829,100	12,267,636
6/30/2027	17	128,531,210	12,267,636
6/30/2028	16	123,975,447	12,267,636
6/30/2029	15	119,146,338	12,267,636
6/30/2030	14	114,027,482	12,267,636
6/30/2031	13	108,601,495	12,267,636
6/30/2032	12	102,849,949	12,267,636
6/30/2033	11	96,753,310	12,267,636
6/30/2034	10	90,290,873	12,267,636
6/30/2035	9	83,440,689	12,267,636
6/30/2036	8	76,179,494	12,267,636
6/30/2037	7	68,482,628	12,267,636
6/30/2038	6	60,323,950	12,267,636
6/30/2039	5	51,675,751	12,267,636
6/30/2040	4	42,508,660	12,267,636
6/30/2041	3	32,791,544	12,267,636
6/30/2042	2	22,491,401	12,267,636
6/30/2043	1	11,573,249	12,267,636
6/30/2044	0	0	0

AMORTIZATION OF UAAL
(Continued)

Valuation Date	Amortization Period	Balance of New Incremental UAAL (6/30/2015)	Annual Amortization Payment
6/30/2015	30	20,214,602	1,468,569
6/30/2016	29	19,958,910	1,468,569
6/30/2017	28	19,687,876	1,468,569
6/30/2018	27	19,400,580	1,468,569
6/30/2019	26	19,096,046	1,468,569
6/30/2020	25	18,773,240	1,468,569
6/30/2021	24	18,431,066	1,468,569
6/30/2022	23	18,068,361	1,468,569
6/30/2023	22	17,683,894	1,468,569
6/30/2024	21	17,276,359	1,468,569
6/30/2025	20	16,844,372	1,468,569
6/30/2026	19	16,386,465	1,468,569
6/30/2027	18	15,901,084	1,468,569
6/30/2028	17	15,386,580	1,468,569
6/30/2029	16	14,841,206	1,468,569
6/30/2030	15	14,263,109	1,468,569
6/30/2031	14	13,650,327	1,468,569
6/30/2032	13	13,000,778	1,468,569
6/30/2033	12	12,312,256	1,468,569
6/30/2034	11	11,582,422	1,468,569
6/30/2035	10	10,808,798	1,468,569
6/30/2036	9	9,988,757	1,468,569
6/30/2037	8	9,119,514	1,468,569
6/30/2038	7	8,198,116	1,468,569
6/30/2039	6	7,221,434	1,468,569
6/30/2040	5	6,186,151	1,468,569
6/30/2041	4	5,088,751	1,468,569
6/30/2042	3	3,925,507	1,468,569
6/30/2043	2	2,692,469	1,468,569
6/30/2044	1	1,385,448	1,468,569
6/30/2045	0	0	0

SCHEDULE I

TABLE 1

RECONCILIATION OF DATA

	Actives	Retirees	Beneficiaries	Vested Terms	Total
1. Headcounts as of June 30, 2014	13,191	4,179	388	262	18,020
2. Change in status during the period:					
a. Death with no Beneficiary	(6)	(45)	(10)		(61)
b. Death with Beneficiary	(6)	(27)	38	(5)	0
c. Retired	(258)	302		(42)	2
d. Terminated Vested	(65)			65	0
e. Terminated Not Vested	(386)				(386)
f. Refund	(229)				(229)
g. Benefit Suspended/Expired		(2)	(2)		(4)
3. New member due to:					
a. New Hire	1,016				1,016
b. Rehire	94	(1)		(9)	84
c. Adjustment		1		(1)	0
4. Headcounts as of June 30, 2015	13,351	4,407	414	270	18,442

In addition, there are 2,114 inactive members entitled to their refund of employee contributions.

TABLE 2

DISTRIBUTION OF ACTIVE MEMBERS BY AGE AND SERVICE GROUPS
AS OF JUNE 30, 2015

Attained Age	Completed Years of Service									
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	≥ 35	Total
Under 25	325	453	32							810
25 to 29	316	810	621	10						1,757
30 to 34	179	613	910	365	7					2,074
35 to 39	114	436	606	556	238	3				1,953
40 to 44	73	283	523	623	526	142	4			2,174
45 to 49	34	171	330	472	488	376	184	6		2,061
50 to 54	17	97	162	267	298	310	269	118	6	1,544
55 to 59	5	32	89	181	93	95	57	47	46	645
60 to 64	5	9	30	77	28	22	9	22	29	231
65 to 69	5	11	11	27	2	3		2	7	68
70 & up	2	8	7	15		1			1	34
Total Count	1,075	2,923	3,321	2,593	1,680	952	523	195	89	13,351

TABLE 3

NUMBER OF RETIRED MEMBERS AND BENEFICIARIES AND THEIR BENEFITS BY AGE

Attained Age	Number of Members	Total Annual Benefits	Average Annual Benefit
Under 50	34	$ 246,732	$ 7,322
50 – 54	389	2,722,896	7,000
55 – 59	1,088	8,963,172	8,238
60 – 64	1,162	10,064,616	8,661
65 – 69	960	8,341,140	8,689
70 – 74	583	5,029,224	8,626
75 – 79	280	2,552,892	9,117
80 – 84	179	1,528,956	8,542
85 – 89	102	862,644	8,457
90 and Over	44	317,376	7,213
Total	4,821	40,629,648	$ 8,428