COUNTY DEPARTMENT AGENDA REQUEST

Department:	Human Resources	Presenter(s):	Steve Vaughn, GEBCorp
Meeting Date:	Thursday, September 23, 2010	Type of Request:	New Business

Wording for the Agenda:

Steve Vaughn with GEBCorp will present the annual valuation report to the board on the County's defined benefit retirement plan.

Background/History/Details:

The Board of Commissioners voted to implement a defined benefit retirement plan in 2009. This will be the first report on the fiscal status of the plan since its inception on July 1, 2009. Therefore, this report will only cover a six month period. A summary report from GEBCorp is attached.

What action are you seeking from the Board of Commissioners?

The presentation is for informational purposes. No action is expected from the Board.

If this item requires funding, please describe:

Not Applicable.

Has this issue come before the Commissioners in the past?	No	If so, when?	
Do you need audio-visual for the presentation?	No	Back-up Material Submitted?	Yes

STAFF USE ONLY

Approved by Finance	Yes	Reviewed by Legal	
Approved by Purchasing	Not Applicable	Approved by County Clerk	Yes
Administrator's Approval	Yes		

Staff Notes:

GEBCorp
An ACCG Company

Government Employee
Benefits Corporation

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September 3, 2010

Ms. Connie Boehnke
Fayette County Commission
140 Stonewall Avenue West, Suite 212
Fayetteville, GA 30214

Subject: Fayette County Defined Benefit Plan
July 1, 2009 Actuarial Valuation Report

Dear Ms. Boehnke:

We are pleased to present to you the enclosed two copies of the July 1, 2009 Actuarial Valuation Report for the Fayette County Defined Benefit Plan.

The following points may be of interest to you in reviewing the enclosed report:

1. The Required Contribution for the 2009 Plan Year can be found in the Highlights Section in Section 1, page I.
2. The Trustees of the Association County Commissioners of Georgia (ACCG) have adopted a Funding Policy, which is stated in the Appendix in the back of the report.
3. *Based on this Funding Policy we have developed two contribution amounts this year. It is advised by the Trustees that the Recommended Contribution be made.*

Once you have had an opportunity to review the enclosed information we will be glad to answer any questions you may have concerning the report. You can reach me at 770 952 5225.

Sincerely,

Weixing Han

Weixing Han, EA, QPA
Staff Actuary

Association County Commissioners of Georgia

Fayette County Defined Benefit Plan

Actuarial Valuation

as of

July 1, 2009

Prepared By:
GEBCorp
400 Galleria Parkway
Suite 1250
Atlanta, Georgia 30339
(800) 736-7166

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Section I:
Highlights and Actuarial Certification

Report Highlights and Actuarial Certification For the 2009 Plan Year

We herewith present the results of the actuarial valuation of the plan for the short plan year from July 1, 2009 through December 31, 2009, based on census information as of July 1, 2009, as provided by the county, and Trust information as provided by the Trustee.

The actuarial valuation report sets forth minimum required contributions to the plan, as well as certain other actuarial calculations and basis of actuarial valuation. The results of this report also serve as the basis for the calculation of the annual pension cost and pension obligations required by the Governmental Accounting Standards Board (GASB).

Georgia Law (O.C.G.A. 47-20) sets minimum funding standards for local municipal defined benefit pension plans. The pension plan and the county are presumably subject to the reporting requirements of Statements 25, and reporting standards for the pension plan. We will issue a separate report detailing the required GASB 25 current and historical plan obligations, funding levels, and contribution amounts.

The standards of accounting and financial reporting for pension plan costs and obligations in the county's financial reports, as required by GASB 27, is provided in this report. The annual pension cost will not equal the State required contribution in all years.

We believe the methods and assumptions used to determine the annual contribution for the plans are reasonable, considering the historical experience of the plan and reasonable expectations for the future.

GEBCorp relied on the following information in preparing the actuarial valuation results presented in this report:

(1) Active and inactive participant data as of July 1, 2009, as provided by GEBCorp and Fayette County.
(2) Plan provisions as of July 1, 2009, as set forth in controlling plan documents adopted and executed by Fayette County.
(3) The value of plan assets as furnished by the Trustee as of July 1, 2009.

Highlights of this report:	**2009**
Employer **Minimum Contribution** for the Plan Year	**$298,235**
- as a percent of payroll	*1.0%*
Employer **Recommended Contribution** for the Plan Year	**$298,469**
- as a percent of payroll	*1.0%*
Employer **Required Contribution** for the Plan Year	**$298,235**
- as a percent of payroll	*1.0%*
- after the application of any credit balance if applicable	

Report Highlights and Actuarial Certification
For the 2009 Plan Year

Notes:

This report represents the valuaion for the initial short plan year of July 1, 2009 through December 31, 2009.

We are available to answer any questions on the material contained in the report, or to provide explanations of further details as may be appropriate. The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report.

William G. Karbon, EA., MSPA. Senior Retirement Plan Consultant Enrolled Actuary Number: 08-4568	9/3/10 Date
Weixing Han, EA, QPA Staff Actuary Enrolled Actuary Number: 08-7501	9/3/10 Date

Section II:
Funding Development

Normal Cost

Normal Cost by Plan Benefit Type	2009
a. Retirement Benefits	$464,536
b. Termination Benefits	51,779
c. Disability Benfits	39,297
d. Death Benefits	0
e.Total Normal Cost	$555,612
f. Interest for the Plan Year	21,530
g. Cost of Pre-Retirement Death Benefit	42,169
h. Normal Cost for the Plan Year*	**$619,311**
- as a percent of payroll	*2.0%*

*The Normal Cost shown represents the benefits accruing during the time period July1, 2009 to December 31, 2009.

Development of the Actuarial Gain/Loss

Actuarial Gain/Loss Development

Actuarial Gain/(Loss) subject to amortization	$0

Since this is the first actuarial valuation of the plan there is no Actuarial Gain/Loss as of July 1, 2009. The initial Actuarial Gain/Loss will be developed in the January 1, 2010 valuation report.

Contribution Summary

Based on the revised statement of Funding Policy adopted by the Trustees of the ACCG Pension Plan and Trust, three (3) costs will be developed in the annual valution report. The first cost shown in the following pages is developed by amortizing the unfunded liability as a level percentage of annual compensation. This contribution amount is referred to as the **Minimum Contribution**. The second cost will be developed by amortizing the unfunded liability as an equal annual level dollar amount. This contribution is referred to as the **Recommended Contribution.** For the 2009 year, regardless of the funding ratio, the **Required Contribution** will be equal to the **Minimum Contribution.** The Required Contribution will further adjust the Minimum Contribution by any applicable credit balance.

The following history of funding ratios is presented since future funding requirements are a function of the plan's funding ratio:

1. Actuarial Value Assets as of July 1, 2009	$14,354,083
2. Present Value of Accumulated Plan Benefits as of July 1, 2009	8,048,130
3. Funding Ratio as of July 1, 2009	178.4%

The following summarized the plan's contribution requirements after application of any applicable credit balance:

	2009
Minimum Contribution for the Plan Year*	**$298,235**
- as a percent of payroll	*1.0%*
Recommend Contribution for the Plan Year*	**$298,469**
- as a percent of payroll	*1.0%*
Required Contribution for the Plan Year*	**$298,235**
- as a percent of payroll	*1.0%*
- after the application of any credit balance if applicable	

*Contribution requirement for the plan year July 1, 2009 to December 31, 2009.

Development of Minimum Annual Contribution

	2009
1. Participant Counts	
a. Active Participants	677
b. Retirees and Beneficiaries	0
c. Deferred Vested (former employees)	0
d. Disabled in Pay Status	0
e. Total	677
2. Covered Compensation for Active Participants	$30,397,046
3. Actuarial Accrued Liability	
a. Active Participants	$14,366,191
b. Retirees and Disabled	0
c. Deferred Vested (former employees)	0
d. Total	$14,366,191
4. Actuarial Value of Assets	$14,354,083
5. Unfunded Actuarial Accrued Liability (3. - 4.)	$12,108
6. Total Amortizations	$291
7. Normal Cost for the Plan Year	$577,142
8. Pre-Retirement Death Benefit Expense	$42,169
9. Administrative Expenses for the Plan Year	$58,596
10. Minimum Contribution for the Plan Year	
a. Employer Contribution	$298,235
b. Estimated Employee Contribution	379,963
c. Total (Before Application of the Credit Balance)	$678,198
11. Employer Contributions as a Percent of Payroll	1.0%
12. Employee Contributions as a Percent of Plan Cost	56.0%

[1]Minimum Contribution for the plan year July 1, 2009 to December 31, 2009.

Funding Standard Account (Level Percent of Compensation)

	2009
Charges:	
a. Employer Normal Cost (end of year)	$197,179
b. Expenses (end of year)	58,596
c. PreRetirement Death Benefit Expense	42,169
d. Amortization Charges (end of year)	291
e. Total	$298,235
Credits:	
a. Prior Year Credit Balance	$0
b. Employer Contributions for Plan Year	N/A
c. Interest on a. and b.	0
d. Amortization Credits	0
e. Total	N/A
Credit Balance	N/A

Amortization Schedule (Georgia Code 47-20-10 (b))
Level Percent of Future Compensation

Charges:

Description	Established	Initial Amount	Initial Years	Years Remaining	Amortization Amount	Outstanding Balance
a. Initial Liability	7/1/2009	$12,108	30	30	$581	$12,108
b. **Total**					**$581**	**$12,108**

Credits:

Description	Date Establishe	Initial Amount	Initial Years	Years Remaining	End of Year Amortization	Outstanding Balance
a. None					$0	$0
b. Total					**$0**	**$0**
Total Amortizations					**$581**	**$12,108**

Equation of Balance:

1. Net amount of amortizations outstanding as of July 1, 2009	$12,108
2. Credit Balance in Funding Standard Account as of July 1,2009	0
3. Reconciliation account balance on July 1, 2009	0
4. Unfunded actuarial liability as of July 1, 2009 (1.-2.-3.)	$12,108

Development of Recommended Annual Contribution

	2009
1. **Participant Counts**	
a. Active Participants	677
b. Retirees and Beneficiaries	0
c. Deferred Vested (former employees)	0
d. Disabled in Pay Status	0
e. Total	677
2. **Covered Compensation for Active Participants**	$30,397,046
3. **Actuarial Accrued Liability**	
a. Active Participants	$14,366,191
b. Retirees and Disabled	0
c. Deferred Vested (former employees)	0
d. Total	$14,366,191
4. **Actuarial Value of Assets**	$14,354,083
5. **Unfunded Actuarial Accrued Liability (3. - 4.)**	$12,108
6. **Total Amortizations**	$525
7. **Normal Cost for the Plan Year**	$577,142
8. **Pre-Retirement Death Benefit Expense**	$42,169
9. **Administrative Expenses for the Plan Year**	$58,596
10. **Recommended Contribution for the Plan Year**	
a. Employer Contribution	$298,469
b. Estimated Employee Contribution	379,963
c. Total (Before Application of the Credit Balance)	$678,432
11. **Employer Contributions as a Percent of Payroll**	1.0%
12. **Employee Contributions as a Percent of Plan Cost**	56.0%

*Recommended Contribution for the plan year July 1, 2009 to December 31, 2009.

For calculation purposes only, not part of final report

Funding Standard Account (Level Dollar)

	2009
Charges:	
a. Employer Normal Cost (end of year)	$197,179
b. Expenses (end of year)	58,596
c. PreRetirement Death Benefit Expense	42,169
d. Amortization Charges (end of year)	525
e. Total	$298,469
Credits:	
a. Prior Year Credit Balance	$0
b. Employer Contributions for Plan Year	N/A
c. Interest on a. and b.	0
d. Amortization Credits	0
e. Total	N/A
Credit Balance	N/A

Amortization Schedule (Georgia Code 47-20-10)
Level Dollar

Charges:

Description	Date Established	Initial Amount	Initial Years	Years Remaining	End of Year Amortization Amount	Outstanding Balance
a. Initial Liability	7/1/2009	$12,108	30	30	$1,050	$12,108
b. **Total**					**$1,050**	**$12,108**

Credits:

Description	Date Established	Initial Amount	Initial Years	Years Remaining	End of Year Amortization	Outstanding Balance
a. None					$0	$0
b. **Total**					**$0**	**$0**
Total Amortizations					**$1,050**	**$12,108**

Equation of Balance:

1. Net amount of amortizations outstanding as of July 1, 2009	$12,108
2. Credit Balance in Funding Standard Account as of July 1,2009	0
3. Reconciliation account balance on July 1, 2009	0
4. Unfunded actuarial liability as of July 1, 2009 (1.-2.-3.)	$12,108

Reconciliation of Plan Assets

1. Fund Balance of Plan Assets as of July 1, 2009	$0
2. Employee Service BuyBack Contribution Receivable	14,354,083
3. Actuarial Value of Assets as of July 1, 2009	$14,354,083

Reconciliation of Plan Assets (Continued)

Summary of Employer Contributions

Date Received	Applied to Plan Year	Employer Contribution	Employer Contribution adjusted	Interest to End of Year	Total
None					

Section III:
Valuation Data Summary

Active and Inactive Participant Statistical Information

Participant Statistics

Active Participants	July 1, 2009
a. Number	677
b. Average Age	43.26
c. Average Service	9.32
d. Average Compensation	$46,920
Deferred Vested Participants	
a. Number	0
b. Average Annual Benefits	N/A
Retirees	
a. Number	0
b. Average Annual Benefits	N/A
Beneficiaries	
a. Number	0
b. Average Annual Benefits	N/A
Disabled Participants Receiving Benefits	
a. Number	0
b. Average Annual Benefits	N/A

Active and Inactive Participant Statistical Information

Participant Data Reconciliation

	Active Participants	Disabled Participants	Inactive Participants with Deferred Benefits	Inactive Participants Receiving Benefits	Total
As of July 1, 2009	677	0	0	0	677

Active Participants by Age and Years of Service

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 to 39		40 & up		Total	
Age	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp
Under 25	31	33,489	1	40,114	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	32	33,696
25 to 29	56	36,034	17	40,776	8	38,861	0	0	0	0	0	0	0	0	0	0	0	0	0	0	81	37,308
30 to 34	45	38,385	13	39,850	24	46,996	2	53,980	0	0	0	0	0	0	0	0	0	0	0	0	84	41,443
35 to 39	40	41,654	11	38,691	16	51,001	20	61,369	2	78,034	0	0	0	0	0	0	0	0	0	0	89	48,216
40 to 44	35	42,641	14	38,703	13	52,883	12	63,809	14	70,095	2	87,498	0	0	0	0	0	0	0	0	90	51,598
45 to 49	38	46,720	9	45,738	14	43,104	16	61,524	8	74,972	8	76,650	0	0	0	0	0	0	0	0	93	53,632
50 to 54	31	47,317	10	40,857	8	59,048	9	56,279	12	57,284	0	0	0	0	0	0	0	0	0	0	70	50,596
55 to 59	31	47,307	5	37,560	18	41,582	2	56,974	2	71,178	6	67,568	2	89,695	0	0	0	0	0	0	66	49,150
60 to 64	25	45,899	6	40,282	6	57,467	5	59,224	3	53,633	5	50,273	0	0	0	0	0	0	0	0	50	48,847
65 to 69	13	47,077	2	29,493	1	47,587	1	57,016	0	0	0	0	0	0	0	0	0	0	0	0	17	45,623
70 & up	3	49,199	0	0	0	0	1	46,767	0	0	1	62,939	0	0	0	0	0	0	0	0	5	51,460
Total	348	41,833	88	40,085	108	47,768	68	60,379	41	66,533	22	68,541	2	89,695	0	0	0	0	0	0	677	46,920

Section IV:
Financial Information

Information for Financial Statements

	2009
1. Actuarial Present Value of Accumulated Plan Benefits	
a. Vested	
i. Retirees (and others in pay status)	$0
ii. Deferred Vested (former employees)	0
iii. Vested Active Participants	6,353,859
Total	6,353,859
b. Nonvested	1,694,271
Total	$8,048,130
2. Effect of Future Salary Increases	6,318,061
3. Total Actuarial Accrued Liability	14,366,191
4. Net Assets Available for Benefits (including receivables)	14,354,083
5. Net Assets in Excess of Actuarial Present Value of Accumulated Plan Benefits	$6,305,953
6. Principal Actuarial Assumptions	
a. Investment Return	7.75%
b. Rate of Future Salary Increases (not applicable to Accumulated Plan Benefits calculations)	3.5%-6.0% based on age

GASB 27 Notes to Financial Statements

Note X. Pension Plan

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Fayette County Employees (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan, administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document.

Funding Policy: The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes.

Annual Pension Cost: The County's annual pension cost and net pension obligation for the pension plan for the current year were determined as follows:

Derivation of Net Pension Obligation:	2009
Net Pension Obligation as of Beginning of the Year*	$0
Derivation of Annual Pension Cost:	
Annual Required Contribution	$298,235
Interest on Net Pension Obligation	0
Amortization of Net Pension Obligation	0
Annual Pension Cost	$298,235

*The results reflected in the July 1, 2009 report represent the initial actuarial valuation of the plan.

Basis of Valuation

Current Valuation Date	July 1, 2009
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	3.5%-6.0% based on age
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)

Trend Information for the Plan

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
July 1, 2009	$298,235	N/A	N/A	$0

GASB 27 Required Supplementary Information
Schedule of Funding Progress

Fiscal Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	c	[(b-a)/c]
N/A						

The results reflected in the July 1, 2009 report represent the initial actuarial valuation of the plan.

Section V:
Actuarial Assumptions and Plan Provisions

Summary of Actuarial Methods and Assumptions

1. Investment Return: 7.75% per year

2. Future Salary Increases: 4.50% per year with an age based scale as follows:

Age	Salary Increase
Under 30	4.5 % rate plus 1.5%
30-39	4.5 % rate plus 1.0%
40-49	4.5 % rate less 0.5%
50+	4.5 % rate less 1.0%

Future Payroll Growth
(For level percentage compensation amortization): 5.5 % per year

3. Mortality: 1983 GAM, sex distinct

4. Termination: An experience based, age and service based set of rates; sample rates as follows:

Age	Probability of Termination	Age	Probability of Termination
25	10.8%	45	5.5%
35	8.3%	55	0.0%

(Linear interpolation between ages)

Years of Service	Probability of Termination
3 or less	175% of the age-based assumption
4	150% of the age-based assumption
5	125% of the age-based assumption
6	Same as the age-based assumption

5. Disability: Male rates (used for both sexes) derived from a 1977 Social Security Administration study. Incidence of disability resulting in eligibility for both disability benefits under the County retirement plan and the Social Security: sample rates as follows:

Age	Probability of Disability	Age	Probability of Disability
under 20	0.0000%	20	0.0100%
25	0.1131%	30	0.1900%
35	0.2712%	40	0.4000%
45	0.6331%	50	1.0400%
55 & over	0.0000%		

(For valuation purposes, rates are used with a one-year set forward.)

6. Retirement:

	Probability of Retirement for non-public safety participants
age 65	60%
ages 66 to 69	20%
age 70	100%

	Probability of Retirement for public safety participants
age 55 to 61	20%
ages 62 to 64	30%
age 65	50%
age 66 to 69	20%
age 70	100%

7. Administrative Expenses: The contribution payable as of the end of the Plan Year includes administrative fees set by contract between the Association County Commissioners of Georgia and GEBCorp.

8. Actuarial Value of Assets: Smoothed market value with a 5-year smoothing period.

9. Actuarial Cost Method: Projected Unit Credit. This cost method measures past service liabilities as the actuarial present value of benefits accrued for service up to the valuation date, but based on salaries projected to the date of assumed retirement from the plan. The current year accrual is based on benefits accrued for the year of service beginning on the valuation date, but based on salaries projected to the date of assumed retirement from the plan.

10. Beneficiary: The plan provides either a lump-sum benefit or an annuity for a fixed period of time to the beneficiary of a deceased active or inactive participant. Therefore all participants are assumed to have a beneficiary and such beneficiary is assumed to be the

11. Participants on Sick Leave: Participants that are currently on sick leave, but still considered employees of the county, are included in the valuation and a liability is maintained for such participants.

12. Cost of Living Adjustment: N/A

13. Changes Since Prior Valuation: This is the initial actuarial valuation of the plan.

Summary of Main Plan Provisions for Valuation Purposes

1. Effective Date:	July 1, 2009.
2. Participant:	Any full-time employee meeting the provisions as set out in the Adoption Agreement.
3. Eligibility:	The Employee's Employment Commencement Date.
4. Plan Year:	Period from January 1 to the December 31, inclusive.
5. Service:	Completed service from the later of July 1, 2009 and the participant's date of employment to the date on which a participant ceases to be an employee, plus any service purchased for the period prior to July 1, 2009.
6. Average Annual Compensation:	The highest average of the Participant's compensation over sixty consecutive months during the ten plan years preceding the Participant's date of retirement or other termination.
7. Eligibility for Benefits:	
a. Normal Retirement	The later of attainment of age 65 or 5 years of Vesting Service.
b. Late Retirement	Any date subsequent to Normal Retirement.
c. Early Retirement	Reduced: Attainment of age 55 and completion of 10 years of Vesting Service. Unreduced: Attainment of age 55 with 25 years of Vestin Service for Public Safety participants only.
d. Disability Retirement	Completion of 10 years of Vesting Service and deemed to be totally disabled by the Federal Social Security Administration.
e. Vested Termination	One hundred percent vested after 5 years of Vesting Service.
f. Pre-Retirement Death Benefit	i. Lump-Sum Active Participants.
	ii. Lump-Sum Terminated vested Participants and participants receiving a Disability benefit who have not yet attained age 65.

g. Post-Retirement Death Benefit	Termination of employment due to Early, Normal or Late Retirement. Participants receiving a Disability Retirement benefit and who have attained normal retirement age are also eligible.
8. Accrued Benefit:	1.50% of Average Annual Compensation multiplied by years of Credited Service (not to exceed 30).
9. Benefit Amounts:	
a. Normal Retirement	A benefit payable monthly for life equal to the Participant's Accrued Benefit at Normal Retirement.
b. Late Retirement	A benefit payable monthly for life equal to the Participant's Accrued Benefit at Late Retirement.
c. Early Retirement	Reduced: A benefit payable monthly for life equal to the Participant's Accrued Benefit actuarially reduced at Early Retirement age.
d. Disability Retirement	A benefit payable monthly for life equal to the Participant's Accrued Benefit at Disability Retirement.
e. Vested Termination	A benefit payable monthly for life beginning at Normal Retirement equal to the Participant's Accrued Benefit at termination.
f. Pre-Retirement Death Benefit:	i. Lump-Sum — The Beneficiary of active Participants eligible for this benefit will receive a lump-sum death benefit equal to 50 times the projected monthly benefit limited to $50,000.
	ii Lump-Sum — The Beneficiary of Participants eligible for this benefit will receive a lump-sum death benefit equal to 50 times the accrued monthly benefit.

g. Post-Retirement Death Benefit:	The beneficiary will receive a lump-sum death benefit based on the retiree's benefit payable under the normal form as follows: 50 times the monthly benefit.
10. Form of Benefit:	The normal form of benefit is a straight life annuity. Other forms of payment are available that are actuarially equivalent to the normal form.
11. Actuarial Equivalent Basis:	1983 GAM Table blended, 50% males, 50% females at 7.0% interest.
12. Contributions:	Employer pick-up contributions in an amount equal to 2.5% of Compensation.
13. Changes Since Prior Valuation:	This is the initial actuarial valuation of the plan.

Appendix A

Statement of Funding Policy

Background and Objectives

The Trustees ('Board of Trustees') for the Association County Commissioners of Georgia ('ACCG') Pension Plan and Trust oversees the administration, investment and funding of the Association County Commissioners of Georgia Retirement Program ('Program') for member employers ('Members'). Included in the service provided to Members are a actuarial and consulting services. This statement of funding policy is intended to guide the Program's administrators and actuaries in developing contribution amounts for Members.

1. To maintain funding procedures that ensure each Member's plan is financially independent of the plan of every Member in the Program. There is no shared cost among Members.
2. To secure the benefit obligations under each Member's plan is systematic and orderly manner and to ensure that each Member's plan is adequately pre-funded.
3. To utilize actuarial methods, which are intended to produce a contribution pattern over time, that is level as a percentage of the aggregate salaries of each Member's active plan participants (covered payroll).
4. To utilize actuarial techniques that minimize administrative expenses whenever possible.
5. To target a long-term ratio of plan assets to the present value of accumulated plan benefits ('Funding Ratio') at 125% for active, ongoing plans.
6. To comply with applicable laws and regulations.

Actuarial Methods and Assumptions

The amounts in the Program's trust fund shall be allocated among the Members at least annually. Each allocation shall reflect the contributions paid by the Members, benefits paid to plan participants and the plan's proportionate share of investment returns and administrative expenses.

Actuarial valuations shall be conducted on each Member's plan on an annual basis. The valuation shall establish:

1. The recommended contribution under this Funding Policy ("Recommended Contribution").
2. The minimum required contribution under State Law ("Minimum Contribution").
3. The actuarial present value of accumulated plan benefits and related Funding Ratio.
4. Any plan operation information and disclosures required under generally accepted accounting and actuarial principles.
5. Any other information needed to fully disclose the financial position of each Member's plan.

The actuarial methods used in the valuations shall reflect the Board of Trustees objective of producing stable contributions for mature plans. The actuarial cost method used to attribute pension cost to various fiscal periods is the Projected Unit Credit Method. An actuarial value of assets that smooths out the variation in the actual investment experience is the asset valuation method used to develop contribution amounts.

The actuarial assumptions utilized for Member's plan shall be established on a conservative basis, reflecting the target Funding Ratio of 125%. All economic assumptions shall represent the actuary's best estimate of future experience, taking into account the characteristics of current employee groups. The current actuarial assumptions are as follow:

Appendix A (Continued)

Economic Assumptions

1. Investment Return:	7.75% per year
2. Salary Increase:	Normalized rates of 4.0% - 6.0% per year adjusted for age
3. Increase in Social Security Wage Base:	5.5% per year
4. Cost-of-Living Adjustment:	2.5% per year

Demographic Assumptions

1. Mortality:	1983 Group Annuity Mortality (GAM) Table Sex Distinct
2. Employee Turnover:	Low to moderate
3. Disability:	Based on Social Security Administration standard rates
4. Retirement Age:	The bulk of retirees are assumed to retire at the earliest age that unreduced benefits are first available under the plan. Modest to high levels of earlier retirement will be assumed based on the early retirement benefit structure of the plan

The Board of Trustees will review these actuarial methods and assumptions on a periodic basis.

Member Contributions

Recommended Contribution

The Recommended Contribution for each Member shall be the sum of the following:

1. normal cost
2. annual required portion of the unfunded actuarial accrued liability amortized on a level dollar basis.

Minimum Contribution

The Minimum Contribution for each Member shall be the sum of the following:

1. normal cost
2. annual required portion of the unfunded actuarial accrued liability amortized on a level percent of compensation.

100 Percent Plans

A plan shall be considered a 100 Percent Plan in the current year if the plan has a Funding Ratio in excess of 100% on the valuation date assuming the payment of the Minimum Contribution.

80 Percent Plans

A plan shall be considered an 80 Percent Plan in the current year if in two of the most recent three valuations reports the plan has had a Funding Ratio below 80% on the valuation date assuming the payment of the Minimum Contrition in two of the most recent three valuation years.

Excess Contributions

Members may make Excess Contributions in excess of the Required Contribution up to an amount that shall not cause the market value of plan assets to exceed the actuarial present value of projected benefits.

Accumulated Contribution Credits

If Members make contributions above the Minimum Contribution such contributions shall be separately identified and maintained as an Accumulated Contribution Credit.

Members having a 100 Percent Plan (as defined above) may use the Contribution Credit to partially or fully offset the Required Contributions in any plan year, provided however, the Member's plan must continue to be considered a 100 Percent Plan with the reduced Required Contribution.

Amount of Required Contribution

The Board recommends that all Members provide annual contributions in an amount at least equal to the Recommended Contribution

Members having 100 Percent Plans shall have a Required Contribution equal to the Minimum Contribution. Members having 80 Percent Plans shall have a Required Contribution equal to the Recommended Contribution.

All other Members shall have a Required Contribution equal to the Recommended Contribution, provided however, that these Members shall be allowed to reduce the Required Contribution to the Minimum Contribution not more frequently than once every three years.

For actuarial valuations as of January 1, 2009 and contributions due no later than March 31, 2010, the Required Contribution for all Members shall be equal to the Minimum Contribution less any Accumulated Contribution Credits.

Timing of the Required Contribution

Each Member is required to pay the Required Contribution on a timely basis in order to remain in good standing. If contribution payments become ninety (90) days overdue, and, if in the opinion of the Board of trustees, such delinquency jeopardizes the benefit accruals of participants, the Board of Trustees shall notify affected Member's plan participants. If contribution payments remain unpaid after notification of plan participants, and the Member has not informed the Board of Trustees of structural changes in the Member's plan, then the Board of Trustees and legal counsel shall consider involuntarily terminating the Member from the Program.

Exceptions

Members may remain in good standing with in the Program while making contributions in amounts other than the Required Contribution only under the following conditions:

Inadequate Cash Flow

In very rare instances involving extremely small plans, the usual definition of Recommended Contribution will produce inadequate cash flow to support plan benefits. In such cases, the Program's actuary will compute a larger contribution amount, based on a shorter amortization period, to be reported to the Member as the Recommended Contribution

Plans of New Members

Normally, the Plan Administrator arranges for a new Member to join the Program without Board of Trustee approval. In the case of a prospective Member who sponsors an existing plan or wishes to create a new plan that would be considered an 80 Percent Plan under this Funding Policy, the Board of Trustees must approve entry into the Program before membership becomes effective. As a condition to Board of Trustee approval, the prospective Member must acknowledge this funding Policy and agree to fund their plan in accordance with this Funding Policy.

Member Plan Amendments

Members having an 80 Percent Plan may not amend their plan without having prior approval of the Board of Trustees if the amendment is projected by the Program's actuary to have the effect of increasing the plan's net liabilities. If such Member having an 80 Percent Plan does adopt a plan amendment in violation of this restriction, then the Board of Trustees and legal counsel shall consider involuntarily terminating the Member from the Program.

Appendix A (Continued)

Other Exceptions

Any other exception to the payment of the Required Contribution must be approved by the Board of Trustees. The Board will require that any Member seeking a reduction to the Required Contribution specify when such contributions under the exception will be paid. The Board will consider only the interests of plan participants in deciding to approve or reject exceptions to the Required Contribution requirement.

Waivers by Board of Trustees

The Board of Trustees may amend or modify this Statement of Funding Policy by an instrument in writing, at any time. In addition, the Board of Trustees in its sole discretion, may provide for one-time or universal exceptions to any of the requirements in this Statement, as it may determine is prudent at the time.