

November 12, 2013

Ms. Ramona Thurman
Chief Financial Officer
Clayton County, Georgia
112 Smith Street
Jonesboro, GA 30236

Dear Ms. Thurman:

Enclosed are 24 copies of the "Clayton County, Georgia Public Employee Retirement System as of July 1, 2013." Please share a copy with each Retirement Board member.

Please let us know if there are any questions concerning the report. We look forward to meeting with the board and presenting this report.

Sincerely yours,



Timothy G. Bowen, EA, MAAA, FCA
Director, Retirement Consulting Actuary



Joseph L. Griffin, EA, ASA, MAAA, FCA
Director, Retirement Consulting Actuary

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Enc.

Clayton County, Georgia
**Clayton County, Georgia Public Employee
Retirement System**

Actuarial Valuation Report

Plan Year July 1, 2013 - June 30, 2013

Fiscal Year July 1, 2013 - June 30, 2013

November 2013

November 12, 2013

Pension Board
Clayton County, Georgia
Public Employee Retirement System
112 Smith Street
Jonesboro, GA 30236

Members of the Board:

We are pleased to submit the results of the actuarial valuation of the Clayton County, Georgia Public Employee Retirement System as of July 1, 2013. We trust that this report will meet the approval of the Board and will furnish the desired information concerning the financial condition of the Retirement Fund. We look forward to meeting with you in person to discuss these results.

There are several purposes of this valuation. One purpose is to confirm whether contributions to the Retirement System meet the minimum funding requirements under Title 47, Chapter 20 of the Official Code of Georgia. It is the Board's funding policy to keep the Retirement System in compliance with these minimum funding requirements.

This valuation's results confirm that if contributions to the Retirement System continue at 18.40% (12.90% from the County and Water Authority and 5.50% from Participants) of Eligible Employee payroll as defined under the plan and if the County makes the special budgeted contribution for the prior Special Early Retirement Program, then the minimum funding requirements will be met.

These contributions are projected to fund the unfunded liability over a 29-year period. This period is within the acceptable period (30 years) for amortization under the minimum funding requirements. This result is dependent upon the valuation assumptions as to rates of salary increase, retirement, turnover, and death and also assumes that the size of the population will not change.

Another purpose is to prepare the information needed for the Retirement System's and the County's and Water Authority's financial reports as required by GASB Statements Nos. 25 and 27. The valuation has been prepared in accordance with the parameters set for disclosure under GASB Statements Nos. 25 and 27. The annual required employer contribution rate (ARC) is 12.90%.

Finally, this valuation assesses the security of benefits already earned. The Retirement System has assets of \$343,412,055 at market value (after an adjustment of \$469,821 for pending refunds). The actuarial value of assets is \$340,269,292. The Retirement System's present value of accrued benefits for inactive participants and for active participants based on the service they have already

performed is \$448,477,583. This liability has been computed in accordance with the plan provisions listed in Schedule F and the actuarial assumptions listed in Schedule E.

The experience for the plan year produced an overall loss of \$3,426,035. The plan experienced a \$4,519,764 loss due to retirement experience, while new entrants caused a \$693,405 loss. Mortality experience caused a \$470,326 gain. The plan experienced a \$926,740 gain due to net Water and County salary experience and a \$395,623 loss due to miscellaneous experience (including data changes, termination experience, payment forms and benefit amounts different than assumed). The plan also realized a \$785,691 gain on the actuarial value of assets.

The mortality table was updated to reflect an additional year of projected mortality improvement which resulted in an increase in liability of \$847,130. The assumption regarding future salary increases was adjusted to reflect the County's expectation for short term pay increases and resulted in a decrease in liability of \$3,041,689.

Georgia Code Section 47-20-84 defines a "large retirement system" and limits how much a large retirement system can invest in equities. This code section was amended April 21, 2009. Under the new definition, a plan with more than \$200 million in assets is a large retirement system. Under this rule, Clayton County's retirement system is a large retirement system. A large system can invest up to 70% in equities after July 1, 2010, and 75% after July 1, 2011 provided the increase in equities by purchase shall not exceed 20% in a year.

The results of this valuation are dependent upon the employee census information provided by Clayton County and the Water Authority and asset values provided by the County, and the actuarial assumptions as summarized herein. There have been changes in actuarial assumptions since last year. The assumed rate of salary increase was adjusted to 0% for the upcoming year for Clayton County employees and 2% for the upcoming year for Water Authority employees, 3% for the next 8 years for all employees and 4% for the following 21 years for all employees. The mortality table was changed to the RP 2000 Mortality Table with a 10% load projected to the year 2019 with Blue Collar adjustment.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. Because of limited scope, Buck performed no analysis of the potential range of such future differences.

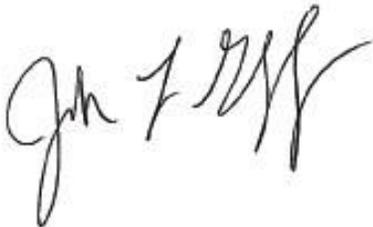
Buck Consultants, LLC. was retained by the Pension Board for the Clayton County, Georgia Public Employees Retirement System to prepare this report. This report is intended for the sole use of the addressee and is intended only to supply sufficient information for the addressee to comply with the stated purposes of the report and may not be appropriate for other business purposes. Reliance on information contained in this report by anyone for other than the intended purpose puts the relying entity at risk of being misled because of confusion or failure to understand applicable assumptions, methodologies, or limitations of the report's conclusions. Accordingly, no person or entity, including the addressee, should base any representations or warranties in any business agreement on any statement or conclusions contained in this report without the written consent of Buck Consultants, LLC.

The Table of Contents, which immediately follows, outlines the material contained in the report.

Respectfully submitted,



Timothy G. Bowen, EA, MAAA, FCA
Director, Retirement Consulting Actuary
Enrolled Actuary Number 11-07204



Joseph L. Griffin, EA, ASA, MAAA, FCA
Director, Retirement Consulting Actuary
Enrolled Actuary Number 11-06938

JLG/TGB:kac

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**REPORT ON AN ACTUARIAL VALUATION
OF THE CLAYTON COUNTY, GEORGIA
PUBLIC EMPLOYEE RETIREMENT SYSTEM
PREPARED AS OF JULY 1, 2013**

SECTION I - SUMMARY OF PRINCIPAL RESULTS

1. For convenience of reference, the principal results of the valuation and a comparison with the results of the preceding valuation are summarized below:

Valuation Date	7/1/2013	7/1/2012
Number of active participants	2,475	2,424
Annual compensation for year beginning on valuation date	\$ 107,100,128	\$ 107,391,688
Number of retired participants and beneficiaries	1,066	1,017
Annual retirement benefits as of July 1	\$ 28,002,356	\$ 26,334,270
Number of former participants with deferred benefits	279	276
Present value of accrued benefits	\$ 448,477,583	\$ 427,011,136
Total actuarial accrued liability	\$ 469,845,321	\$ 448,252,277
Assets:		
Market value	\$ 343,412,055	\$ 310,435,755
Actuarial value of assets	\$ 340,269,292	\$ 322,142,630
Total unfunded actuarial accrued liability	\$ 129,576,029	\$ 126,109,647
Unfunded liability due to early retirement program*	\$ 0	\$ 516,880
Unfunded liability excluding early retirement program	\$ 129,576,029	\$ 125,592,767
Amortization period for unfunded actuarial accrued liability	29 years	27 years
Recommended annual contribution rates:**		
Participants	5.50%	5.50%
County/Water Authority	<u>12.90</u>	<u>12.90</u>
Total	18.40%	18.40%
County/Water Authority annual required contribution rate (ARC):		
Normal cost	5.84%	5.70%
Unfunded actuarial accrued liability	<u>7.06</u>	<u>7.20</u>
Total	12.90%	12.90%

* Prior program funded through special appropriations.

** Contribution rates are applied to pay through the plan year

2. Comments on the valuation results as of July 1, 2013 are given in Section IV and further discussion of the contributions is set out in Section V.
3. Schedule E of this report outlines the full set of actuarial assumptions and methods employed.
4. Schedule F of this report summarizes the provisions of the System as interpreted for valuation purposes.

SECTION II - PARTICIPANT DATA

1. All full time employees and elected officials of Clayton County and the Clayton County Water Authority are covered under the Plan. The valuation included 2,475 active participants as of July 1, 2013 with expected annual compensation for the year beginning July 1, 2013 totaling \$107,100,128.
2. The following table shows the number of retired participants and beneficiaries of deceased participants and their annual retirement benefits as of the valuation date.

THE NUMBER AND ANNUAL RETIREMENT BENEFITS OF RETIRED PARTICIPANTS AND BENEFICIARIES OF DECEASED PARTICIPANTS AS OF JULY 1, 2013

GROUP	NUMBER	BENEFITS
Normal and Early Retirements	892	\$ 25,464,896
Beneficiaries of Deceased Participants	109	1,484,379
Disability Retirements	<u>65</u>	<u>1,053,081</u>
Total	1,066	\$28,002,356

In addition, there are 279 former participants entitled to deferred annual benefits totaling \$3,221,647.

SECTION III - ASSETS

1. The amount of assets taken into account in this valuation is based on the unaudited financial statements provided by Clayton County.
2. The market value of assets as of July 1, 2013 was \$343,412,055. This represented a return of approximately 13.41%. The actuarial value of assets used for the current valuation was \$340,269,292. Schedule B shows the development of the actuarial value of assets as of July 1, 2013.
3. Schedule C shows the reconciliation of the market value of asset balances from July 1, 2012 to July 1, 2013.

SECTION IV - COMMENTS ON VALUATION

1. Schedule A outlines the results of the valuation. The valuation shows that the Retirement System has total actuarial accrued liabilities of \$469,845,321. Of this amount, \$309,664,076 is on account of benefits payable to retired participants, beneficiaries and former participants entitled to deferred vested benefits, and \$160,181,245 is for benefits expected to be paid based on service to the valuation date on account of the present active participants. Against these liabilities, the System has present actuarial value of assets of \$340,269,292 as of July 1, 2013. The difference of \$129,576,029 between the total liabilities and the present assets represents the present value of future accrued liability contributions to be made by the County and Water Authority.

2. The regular contributions to the System consist of normal cost contributions and unfunded accrued liability amortization contributions. The normal cost contribution covers the cost of benefits accruing and Retirement System expenses during the upcoming year. The normal cost contribution rate for the County and Water Authority participants combined is determined to be 11.34% (5.84% County/Water Authority and 5.50% participants) of payroll. This compares to the 11.20% rate last year.
3. Another measure of the funding is the present value of the benefits accrued as of the valuation date. This value does not include any allowance for future salary increases affecting the benefits earned to date. This amount is \$448,477,583. When compared to the market value of assets of \$343,412,055, the plan has insufficient assets to cover its accrued benefits.
4. For the year, the Plan experienced an overall loss of \$3,426,035. This loss is due to the net effect of a gain on the actuarial value of assets of \$785,691 and a liability loss of \$4,211,726. The liability loss includes an \$847,130 loss due to a change in mortality and a \$3,041,689 gain due to a change in salary scale. Schedule D shows the development of this loss.

SECTION V - CONTRIBUTIONS PAYABLE UNDER THE RETIREMENT SYSTEM

1. The Retirement System has established a total contribution rate of 18.40% of active participants' compensation. Of this amount, the participants pay 5.50% and 12.90% is to be paid by the County/Water Authority.
2. On the basis of the present valuation, a total normal cost contribution rate of 11.34% is payable. Participants contribute 5.50% of payroll, leaving a balance of 5.84% normal cost rate to be paid by the County/Water Authority.

3. The excess of the County's and Water Authority's 12.90% contribution over the 5.84% normal cost is 7.06%. This amount is applied toward the liquidation of the unfunded accrued liability. The 7.06% of active participants' compensation will liquidate the unfunded accrued liability within a 29-year period. This assumes that the funds to liquidate the unfunded liability remain constant over the next year due to capped pay and then increase 3% per year for the next 8 years and 4% per year for the following 21 years.
4. The following table summarizes the contribution rates.

**CONTRIBUTION RATES
BASED ON JULY 1, 2013 VALUATION**

CONTRIBUTION	PERCENTAGE OF COMPENSATION
Payable by:	
Participants	5.50%
County and Water Authority	<u>12.90</u>
Total	18.40%
Rate Applied To:	
Total Normal Cost	11.34%
Unfunded Actuarial Accrued Liability (balance)	<u>7.06</u>
Total	18.40%

SECTION VI - ACCOUNTING INFORMATION

1. Governmental Accounting Standards Board Statement No. 25 sets forth certain items of required supplementary information to be disclosed in the financial statements of the System and Statement No. 27 sets forth information for financial statements of the employer. One such item under GASB Statement No. 25 is a distribution of the number of employees by type of membership, as follows:

**NUMBER OF ACTIVE AND RETIRED MEMBERS
AS OF JULY 1, 2013**

GROUP	NUMBER
Retirees and beneficiaries currently Receiving benefits	1,066
Terminated employees entitled to benefits but not yet receiving benefits	279
Active Members	<u>2,475</u>
Total	3,820

2. Another such item is the schedule of funding progress for the most recent six years as shown below.

SCHEDULE OF FUNDING PROGRESS
(In 000's)
(See paragraph 7 below)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
7/1/2008	283,542.6	386,232.2	102,689.6	73.4	109,221.1	94.0
7/1/2009	281,523.4	392,472.8	110,949.4	71.7	110,028.3	100.8
7/1/2010	293,128.4	407,571.1	114,442.7	72.0	105,317.0	108.7
7/1/2011	308,154.1	425,921.5	117,767.4	72.3	102,330.7	115.1
7/1/2012	322,142.6	448,252.3	126,109.7	71.9	107,391.7	117.4
7/1/2013	340,269.3	469,845.3	129,576.0	72.4	107,100.1	121.0

See Schedules E and F for changes in assumptions or plan provisions affecting the comparability of numbers from year to year.

3. Another disclosure item under GASB Statement No. 25 is the Schedule of Employer Contributions as shown below. The annual required contributions for the six most recent plan years are to be shown.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Plan Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
2008	\$14,186,663	100%
2009	14,545,179	100
2010	14,516,566	100
2011	14,269,403	100
2012	14,469,894	100
2013	14,717,065	100

4. The annual required contribution (ARC) as a percentage of payroll, determined in accordance with the parameters of GASB 25/27, is shown below.

**2013/2014 FISCAL YEAR
EMPLOYER ANNUAL REQUIRED CONTRIBUTION (ARC)
BASED ON THE VALUATION AS OF JULY 1, 2013
(See paragraph 7 below)**

EMPLOYER ANNUAL REQUIRED CONTRIBUTION (ARC)	
Normal	5.84%
Accrued Liability	<u>7.06%</u>
Total	12.90%

5. Three-year trend information as required under GASB 27 is as follows:

**THREE-YEAR TREND INFORMATION
(See paragraph 7 below)**

Fiscal Year Ended <u>June 30</u>	Annual Pension <u>Cost</u>	Percentage of Annual Pension Cost <u>Contributed</u>	Net Pension <u>Obligation</u>
2011	\$14,269,403	100%	\$0
2012	14,469,894	100	0
2013	14,717,065	100	0

6. The information presented in the required supplementary schedules was determined as part of the actuarial valuation at July 1, 2013. Additional information as of the latest actuarial valuation follows.

Valuation date	7/1/2013
Actuarial cost method	Projected unit credit
Amortization method	Level percent open
Remaining amortization period	29 years
Asset valuation method	5 year smoothed market value
Actuarial assumptions:	
Investment rate of return*	8.00%
Projected salary increases*	0.00% for next year for County employees, 2.00% for next year for Water Authority employees / 3.00% for next 8 years / 4.00% thereafter.
Cost-of-living adjustments	2.0% effective 7/1/2009 (see plan summary)
*Includes inflation at	0.00% for next year / 3.00% for next 8 years / 4.00% for following 21 years.

7. It is likely that this plan can be viewed as a cost-sharing multiple-employer plan since Clayton County and the Clayton County Water Authority are separate employers. All costs of the plan are shared and one valuation covers all plan participants. Under GASB 27, cost-sharing employers recognize their required contributions as expense and the excess, if any, of required contributions over actual contributions as a liability. Cost-sharing employers are not required for GASB 27 to disclose the information in paragraphs 2 and 5 above.

SECTION VII – ENROLLED ACTUARY’S STATEMENT

The actuarial assumptions used to value the Plan for funding purposes were selected by the plan sponsor or us. The interest assumption, funding method, salary scale and asset method were selected by the plan sponsor. All other assumptions were selected by us. All assumptions (other than the salary scale which was selected by the plan sponsor) individually and in the aggregate represent my best estimate of anticipated experience under the plan. There is not sufficient information to evaluate the appropriateness of the salary scale as a long term assumption. The plan sponsor has indicated that the financial stress it is under will limit its ability for a considerable period to make salary increases in line with historical increases. Based on the foregoing, the cost results and actuarial exhibits for funding presented in this report were determined on a consistent and objective basis in accordance with applicable Actuarial Standards of Practice and generally accepted actuarial procedures.

To the best of my knowledge, the information in this report is complete and accurate and meets the requirements and intent of Georgia Public Retirement System Law, Code Title 47, Chapter 20. As is demonstrated earlier in this report, the Clayton County, Georgia Public Employees Retirement System is in compliance with the Minimum Funding Standards specified in Code Section 47-20-10 and meets the funding policy of the Fund’s Board, which is to keep the Fund in compliance with such standards. These assumptions and actuarial cost methods also meet the required parameters under GASB Statements Number 25 and 27. See the cover letter to this report for limitations due to reliance upon information furnished by others.

The report was prepared under the supervision of Timothy G. Bowen, the plan's Enrolled Actuary, an Associate of the Society of Actuaries, and a Member of the American Academy of Actuaries, who has met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

BUCK CONSULTANTS, LLC.



Timothy G. Bowen, EA, MAAA, FCA
Director, Retirement Consulting Actuary
Enrolled Actuary Number 11-07204

SCHEDULE A**RESULTS OF THE VALUATION
PREPARED AS OF JULY 1, 2013**

1. Actuarial Accrued Liabilities	
Present Value of Prospective Benefits Payable in Respect of:	
(a) Present active participants	\$160,181,245
(b) Present retired participants, beneficiaries, and former participants entitled to deferred vested benefits	<u>309,664,076</u>
(c) Total accrued actuarial liabilities	469,845,321
2. Actuarial Value of Assets for Valuation Purposes	340,269,292
3. Unfunded Actuarial Accrued Liability [1(c) minus 2]	129,576,029
4. Portion of Unfunded Actuarial Accrued Liability Assigned to Prior Early Retirement Window Program (funded through special appropriation - completed)	<u>0</u>
5. Balance of Unfunded Actuarial Accrued Liability to be Funded by Future County and Water Authority Amortization Payments	\$ 129,576,029

SCHEDULE B**DEVELOPMENT OF JULY 1, 2013 ACTUARIAL VALUE OF ASSETS**

(1)	Actuarial Value of Assets on July 1, 2012 including Contributions Receivable	\$ 322,142,630
(2)	2012/2013 Net Cash Flow	
	a. Contributions from Employer and Participants plus increase/(decrease) in Contributions Receivable	19,359,856
	b. Benefits + Administrative Expense Only	<u>27,466,048</u>
	c. Net Cash Flow	
	(2)a - (2)b	(8,106,192)
(3)	Expected Investment Return, Net of Investment Expenses [(1) x .08] + [(2)c x .04]	25,447,163
(4)	Expected Actuarial Value of Assets on July 1, 2013 including Contributions Receivable (1) + (2)c + (3)	339,483,601
(5)	Market Value of Assets on July 1, 2013, including Contributions Receivable	343,412,055
(6)	Excess of Market Value over Expected Actuarial Value of Assets (5) - (4)	3,928,454
(7)	20% Adjustment Towards Market 0.20 x (6)	785,691
(8)	Preliminary Actuarial Value of Assets on July 1, 2013 (4) + (7)	340,269,292
(9)	80% of Market Value .80 x (5)	274,729,644
(10)	120% of Market Value 1.20 x (5)	412,094,466
(11)	Actuarial Value of Assets on July 1, 2013 Smaller of (10) and maximum of (8) and (9)	\$ 340,269,292

SCHEDULE C**ASSETS OF THE RETIREMENT SYSTEM****Reconciliation of Market Value of Assets****Receipts**

Employer and Participant Contributions		\$	19,359,856
Investment Income			
Interest and Dividends	\$	3,811	
Net Appreciation (Depreciation) in Fair Value of Investments		<u>41,268,300</u>	
Total Investment Income			<u>41,272,111</u>
Total Receipts		\$	60,631,967

Disbursements

Benefits Paid		\$	27,155,733
Increase in Pending Refunds ¹			140,331
Administrative and Investment Expenses			<u>359,603</u>
Total Disbursements		\$	27,655,667

Excess of Receipts Over Disbursements \$ 32,976,300

Reconciliation of Asset Balances

Market Value at July 1, 2012, including contributions receivable		\$	310,435,755
Excess of Receipts Over Disbursements			32,976,300
Market Value at July 1, 2013, including contributions receivable		\$	343,412,055

¹ Unpaid Pending Refunds of \$329,490 were subtracted from the July 1, 2012 Market Value of Assets, and \$469,821 was subtracted from the July 1, 2013 Market Value of Assets. The difference of \$140,331 was added to the annual disbursements during the year.

SCHEDULE D**DEVELOPMENT OF EXPERIENCE GAIN/(LOSS)**

1. Actual Unfunded Accrued Liability as of July 1, 2012 (before adjustment for window plan):		\$ 126,109,647
2. Expected Change in Unfunded Liability During 2012/2013 Plan Year		
a. Due to Total Normal Cost (beginning of year)	\$ 11,370,726	
b. Mortality Change (increase projection year by 1)	847,130	
c. Change to Salary Scale	(3,041,689)	
d. Due to Plan Changes	0	
e. Due to Interest on Normal Cost and Unfunded Liability	10,998,430	
f. Due to Actual Employer and Participant Contributions with Interest	<u>(20,134,250)</u>	
g. Total Expected Change, a. + b. + c. + d. + e. + f.	\$ 40,347	
3. Expected Unfunded Accrued Liability as of July 1, 2013:		\$ 126,149,994
4. Actual Unfunded Accrued Liability as of July 1, 2013 (before adjustment for window plan):		\$ 129,576,029
5. Experience Gain/(Loss) for the 2012/2013 Plan Year* (3) – (4)		\$ (3,426,035)

* Liability related portion of experience Gain/(Loss):	\$ (4,211,726)
Asset related portion of experience Gain/(Loss):	\$ 785,691

SCHEDULE E**OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS**

INTEREST RATE: 8% per annum, compounded annually, net of investment expenses.

SEPARATIONS BEFORE RETIREMENT: Representative values of the assumed annual rates of withdrawal, disability, and death are as follows:

Age	Annual Rate of				
	Withdrawal		Disability	Death	
	Years 1 – 3	Years 4+		Male	Female
25	12.00%	8.88%	.07%	.03%	.02%
30	10.00	6.89	.08	.07	.03
35	9.00	4.00	.09	.11	.05
40	9.00	3.50	.11	.13	.07
45	8.00	3.00	.16	.15	.11
50	8.00	2.00	.24	.19	.16
55	-	-	.40	.32	.26
60	-	-	.84	.67	.49
64	-	-	1.49	1.16	.91

RATES OF RETIREMENT: Representative values of the assumed annual rates of early and normal retirement are as follows:

Age	General Employees		Sworn Safety	
	Annual Rate of Retirement			
	Less than 25 years of service*	25 years of service*	Early	Normal*
50	.03		.03	
52	.05		.05	
54	.07		.07	
55	.04	.12	.07	.12
58	.04	.12	.07	.12
60	.04	.12		1.00
62	.04	.12		
64	.04	.12		
65		1.00		

* An additional 30% are assumed to retire in the year when first eligible for unreduced normal retirement.

Note: Employees who terminate with a vested benefit and greater than 15 years of service are assumed to commence at age 55 with a subsidized early retirement pension. Other deferred vested employees are assumed to commence at normal retirement age.

SCHEDULE E**OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS (continued)**

SALARY INCREASES: 0.0% for 2013 to 2014 for Clayton County employees, 2.0% for 2013 to 2014 for Water Authority employees, 3.0% per annum for the following 8 years for all employees and 4.0% per annum thereafter for all employees.

DEATHS AFTER RETIREMENT: According to the RP-2000 Mortality Table with a 10% load projected to the year 2019 with Blue Collar Adjustment.

FUTURE ADMINISTRATIVE EXPENSES: Expenses assumed to be 0.20% of payroll.

LOADING OR CONTINGENCY RESERVES: None.

SPOUSES: The husband is assumed to be three years older than the wife, and it is assumed that 85% of the participants are married.

CONTINGENT ASSETS & LIABILITIES: There were none as of July 1, 2013.

VALUATION ASSETS: Actuarial Value, as developed in Schedule B. The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between market value and expected value. The actuarial value of assets is limited to a range between 80% and 120% of market value.

VALUATION FUNDING METHOD: Projected unit credit cost method. Gains and losses are reflected in the unfunded accrued liability.

INFLATION: 0% for 2013, 3% for the following 8 years, and 4% for the following 21 years (used for the amortization of unfunded liability).

CONTRIBUTION TIMING: Employee contributions are assumed to occur bi-weekly and County contributions quarterly.

HISTORICAL ASSUMPTION CHANGES:

Effective 7/1/2013: The assumed rates of salary increase were adjusted from 3% for the next 9 years and 4% thereafter to 0% for the upcoming year for County employees, 2% for the upcoming year for Water Authority employees, 3% for the next 9 years for all employees and 4% thereafter for all employees. The mortality table was changed to the RP 2000 Mortality Table with a 10% load projected to the year 2019 with Blue Collar adjustment.

Effective 7/1/2012: The assumed rates of salary increase were adjusted from 3% for the next 10 years and 4% for the following 20 years to 0% for the upcoming year for County employees, 1% for the upcoming year for Water Authority employees, 3% for the next 9 years for all employees and 4% thereafter for all employees. The mortality table was changed to the RP 2000 Mortality Table with a 10% load projected to the year 2018 with Blue Collar adjustment.

SCHEDULE E**OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS (continued)**

Effective 7/1/2011: The mortality table was changed from the RP 2000 Mortality Table with Blue Collar adjustments to the RP 2000 Mortality Table with a 10% load projected to the year 2017 with Blue Collar adjustment; the assumed rates of salary increase was adjusted from a flat 4% to 0% for the upcoming year, 3% for the next 10 years and 4% thereafter; and the assumed rate of inflation used as an amortization adjustment was changed from a flat 4% to 3% for the next 11 years and 4% thereafter.

Effective 7/1/2009: The salary scale assumption decreased from 5.3% annually to 4.0% annually.

Effective 7/1/2008: The mortality table for employees (both before and after retirement) changed from the 1983 Group Annuity Mortality Table to the RP-2000 Mortality Table with Blue Collar Adjustment.

Effective 7/1/2004: The expense assumption has been lowered to .20% of payroll to reflect true level of administrative expense. The retirement table has been changed to produce expected results that more closely match recent experience. The salary scale has increased from 5.0% to 5.3%.

Effective 7/1/2003: The mortality table for employees (both before and after retirement) changed from the 1971 Group Annuity Mortality Table set back 1 year to the 1983 Group Annuity Mortality Table. The withdrawal table for employees changed to a 3-year select-and-ultimate table to reflect recent plan experience.

Effective 7/1/2001: The mortality table has been set back one year.

CHANGES IN METHODS: None.

SCHEDULE F

SUMMARY OF THE MAIN BENEFIT AND CONTRIBUTION PROVISIONS

Effective Date	July 1, 1971.
Plan Year and Fiscal Year	Each July 1 to June 30.
Type of Plan	A cost-sharing multiple-employer defined benefit pension plan administered by a public employee retirement system funded by the Plan Sponsors (Clayton County and the Clayton County Water Authority) and Participant contributions.
Employees Covered	<p>Full-time employees, including Commissioners, persons appointed by Commissioners, judicial secretaries, Probate Court Judge, magistrate, Court Clerks, Sheriff and Chief Deputy, Tax Commissioner and Deputy, and Water Authority employees and appointees.</p> <p>Effective November 1, 2010, any employee who is enrolled or becomes an active participant or member in the Employees Retirement System of Georgia or the Georgia State Employees Pension and Savings Plan (or any successor plan) will not be covered under this Plan. This amendment was not reflected in the July 1, 2010 valuation.</p> <p>Effective July 1, 2012, State Court Law Clerks are now eligible to participate in the Plan.</p>
Credited Service	Service from employment. Effective January 1, 1999, each Participant's sick leave in excess of the allowable amount, as of the last pay period of each calendar year, shall be placed in reserve status to be used in determining Credited Service at the Participant's termination of employment. Certain employees' service with The City of Forest Park Water and Sewer Department is included as Credited Service.
Normal Retirement Benefit Eligibility	The earlier of age 60 and 7 years of participation (5 years of participation for sworn safety personnel hired prior to June 1, 2001), or age 55 and 25 years of credited service. Effective January 1, 1999, a Participant may elect to apply sick leave reserve as an age credit in determining the attainment of Normal Retirement Age.

SCHEDULE F**SUMMARY OF THE MAIN BENEFIT
AND CONTRIBUTION PROVISIONS (continued)**

Basic Monthly Benefit	2.5% of average monthly salary multiplied by years of credited service up to 32. Average monthly compensation is based on the 36 highest consecutive months of service during the last 60 months of service.
Cost of Living Adjustments	Annual 2.0% cost of living increase effective beginning July 1, 2009 for those who have received their 84 th monthly benefit payment prior to July 1.
Early Retirement Benefit Eligibility	The earlier of age 50 and 25 years of credited service or age 55 and 15 years of credited service.
Benefit	If the participant has 25 years of credited service, the benefit is reduced 1/2% for each month age is less than 55. If the participant has less than 25 years of credited service, the benefit is reduced 1/2% for each month age is less than 60.
Disability Retirement Eligibility	3 years of credited service for in line-of-duty; 7 years of credited service for other than in line-of-duty.
Benefit	30% of participants' monthly rate of compensation as of the date of disability.
Late Retirement Benefit Eligibility	Retirement after eligibility for normal retirement.
Benefit	Normal retirement benefit based on average monthly salary and service at actual date of retirement.
Deferred Vested Benefit Eligibility	7 years of credited service.
Benefit	100% of accrued benefit commencing at normal retirement age. If the member has 15 years of credited service, he may receive a reduced benefit commencing at early retirement age.

SCHEDULE F**SUMMARY OF THE MAIN BENEFIT
AND CONTRIBUTION PROVISIONS (continued)**

Pre-Retirement Death Benefit

In Line-of-Duty

Eligibility	Participation in the Plan.
Benefit	Survivor portion of the 50% Joint and Survivor benefit payable immediately (unreduced for early commencement) if married. If not married, payments are unreduced and paid for 60 months.

Other Than Line-of-Duty

Eligibility	7 years of service.
Benefit	Same as in line-of-duty benefit if greater than age 50. If under age 50, 50% of the deferred vested benefit reduced for early retirement payable at early retirement date if married. If not married, the benefit reduced for early retirement is paid for 60 months starting at early retirement age.

Excess Benefits for Water Authority
Participants Only

Benefits in excess of the Internal Revenue Code 415 (m) limits are funded by the Water Authority as the benefits become payable but are not included in the valuation.

Normal Form of Payment

5 years certain and life annuity.

Optional Forms of Payment

- (1) 100%, 75%, or 50% joint and survivor annuity.
- (2) Life annuity with 120 months certain

SCHEDULE F**SUMMARY OF THE MAIN BENEFIT
AND CONTRIBUTION PROVISIONS (continued)**

Participant Contributions

Each participant contributes 5.5% of compensation beginning July 1, 2006. Contribution rate from August 8, 1998 through June 30, 2006 was 3.5% of compensation and for July 1, 1995 through August 7, 1998 was 2.0% of compensation. If a participant terminates employment before meeting the requirements for any of the above benefits, he is entitled to receive a return of his contributions with 5% interest.

Any participant or beneficiary may elect to receive a refund of contributions with interest in lieu of any other benefit payable under the Plan.

Participant contributions are “picked-up” by the County (i.e., taken out of pre-tax income).

Historical Provision Changes

Effective 7/1/2012: State Court Law Clerks are now eligible to participate in the Plan.

Effective 7/1/2008: Eliminated the 60 month certain and 114 month certain optional forms of payment for annuity starting dates after December 31, 2008.

Effective 7/1/2007: Adjusted accrued benefits of three people as of their normal retirement age.

Effective 7/1/2006: Added an annual 2.0% cost of living increase effective beginning July 1, 2009 for those who have received their 84th monthly benefit payment prior to July 1.

Increased participant contributions from 3.5% to 5.5%.

Granted a one-time 4.0% benefit increase to current participants, spouses and beneficiaries who were receiving benefits as of January 1, 2001.

Added a minimum monthly allowance of \$300 (after the above benefit increases) to any participant, spouse or beneficiary receiving benefits as of July 1, 2006.

Added an Excess Benefit Arrangement providing benefits in excess of IRS Code Sec. 415 for Water Authority employees funded entirely and separately by the Water Authority.

SCHEDULE F

SUMMARY OF THE MAIN BENEFIT AND CONTRIBUTION PROVISIONS (continued)

Historical Provision Changes
(continued)

Effective 7/1/2005: Added the 60 month certain and 114 month certain optional forms of payment.

Effective 7/1/2003: The County and Water Authority contribution rate was increased to 12.9% from 12.4% and it is now applied to compensation under the plan rather than total compensation.

The definition of compensation excludes certain forms of premium pay.

The compensation limit has been increased to \$200,000.

The mortality table used to convert benefits to optional forms of payment has been changed to the table prescribed under Revenue Ruling 2001-62.

The Social Security Leveling Option has been removed as an optional form of payment.

The normal form of payment for persons receiving disability payments has been changed from a life annuity to a life annuity with 60 months guaranteed. Upon death, payments to beneficiaries will continue according to the election chosen for the disability payments.

The method for computing final average earnings was clarified.

The basis for actuarial equivalence for maximum benefit limit purposes has been changed.

Effective 7/1/2001: Normal Retirement Age for non-Safety Personnel was amended from age 65 with 5 years of credited service to age 60 with 7 years of credited service.

For Safety Personnel hired after 6/1/2001, 7 years of credited service is required for Normal Retirement.

Funding rate increased from 12.15% to 12.40%.

The pre-Retirement Death Benefit was changed from 50% of the Normal Fund Payment as if employment continued to normal retirement to the survivor portion of the 50% Joint and Survivor benefit (unreduced for early commencement). If the participant is single, the Normal Fund Payment is paid as a 5-year certain only benefit.

SCHEDULE G
AGE-SERVICE TABLE
(Active Male Participants)

Attained Age	Completed Years of Service										Total	
	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		
Under 25	33	39	3	0	0	0	0	0	0	0	0	75
Avg. Pay	33,701	36,876	*	0	0	0	0	0	0	0	0	35,454
25 to 29	33	93	79	0	0	0	0	0	0	0	0	205
Avg. Pay	35,316	37,847	41,177	0	0	0	0	0	0	0	0	38,723
30 to 34	20	80	91	29	2	0	0	0	0	0	0	222
Avg. Pay	33,623	39,964	41,158	47,073	*	0	0	0	0	0	0	40,903
35 to 39	21	59	58	36	20	0	0	0	0	0	0	194
Avg. Pay	38,919	38,442	42,600	47,615	54,208	0	0	0	0	0	0	43,064
40 to 44	22	50	63	31	50	21	6	0	0	0	0	243
Avg. Pay	39,596	41,726	41,824	49,879	59,325	57,004	*	0	0	0	0	48,187
45 to 49	15	25	45	32	35	44	42	1	0	0	0	239
Avg. Pay	*	41,038	42,729	50,242	57,528	66,464	65,494	*	0	0	0	53,641
50 to 54	9	18	32	17	16	27	35	22	1	0	0	177
Avg. Pay	*	*	40,946	*	*	62,088	66,537	73,405	*	0	0	54,290
55 to 59	9	12	26	22	13	13	4	2	1	0	0	102
Avg. Pay	*	*	41,278	49,591	*	*	*	*	*	0	0	49,643
60 to 64	0	9	22	9	4	4	4	0	0	0	0	52
Avg. Pay	0	*	46,346	*	*	*	*	0	0	0	0	42,869
65 to 69	0	4	3	3	1	1	0	0	0	0	1	13
Avg. Pay	0	*	*	*	*	*	0	0	0	0	*	*
70 & up	0	0	1	1	2	1	0	0	0	0	0	5
Avg. Pay	0	0	*	*	*	*	0	0	0	0	0	*
Total	162	389	423	180	143	111	91	25	2	1	1	1,527
Avg. Annual Pay	36,056	39,063	41,732	47,923	57,716	61,813	65,146	72,659	*	*	*	46,057

*pay information for cells with less than 20 employees have not been disclosed.

SCHEDULE G**AGE-SERVICE TABLE****(Active Female Participants)**

Attained Age	Completed Years of Service										Total
	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	
Under 25	16	20	1	0	0	0	0	0	0	0	37
Avg.Pay	*	33,169	*	0	0	0	0	0	0	0	31,890
25 to 29	23	49	18	0	0	0	0	0	0	0	90
Avg.Pay	31,415	33,336	*	0	0	0	0	0	0	0	32,865
30 to 34	21	55	41	12	0	0	0	0	0	0	129
Avg.Pay	36,047	36,520	39,603	*	0	0	0	0	0	0	37,641
35 to 39	18	40	35	16	5	0	0	0	0	0	114
Avg.Pay	*	37,498	38,820	*	*	0	0	0	0	0	40,542
40 to 44	18	38	51	22	11	5	1	0	0	0	146
Avg.Pay	*	37,658	38,516	42,176	*	*	*	0	0	0	39,916
45 to 49	16	32	32	16	15	8	6	0	0	0	125
Avg.Pay	*	32,738	38,640	*	*	*	*	0	0	0	41,965
50 to 54	8	28	32	25	12	11	6	7	1	0	130
Avg.Pay	*	36,676	33,290	37,221	*	*	*	*	*	0	42,425
55 to 59	3	24	29	17	14	5	6	0	0	0	98
Avg.Pay	*	34,168	34,821	*	*	*	*	0	0	0	37,788
60 to 64	2	14	18	11	12	3	4	0	0	0	64
Avg.Pay	*	*	*	*	*	*	*	0	0	0	37,635
65 to 69	0	0	7	4	2	0	0	0	0	0	13
Avg.Pay	0	0	*	*	*	0	0	0	0	0	*
70 & up	0	0	1	0	1	0	0	0	0	0	2
Avg.Pay	0	0	*	0	*	0	0	0	0	0	*
Total	125	300	265	123	72	32	23	7	1	0	948
Avg. Annual Pay	34,472	35,325	36,731	39,975	49,820	58,254	59,183	*	*	*	38,842

*pay information for cells with less than 20 employees have not been disclosed.

SCHEDULE G**AGE-SERVICE TABLE**

(All Active Participants)

Attained Age / Annual Pay	Completed Years of Service										Total	
	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		
Under 25	49	59	4	0	0	0	0	0	0	0	0	112
Avg. Pay	32,726	35,620	*	0	0	0	0	0	0	0	0	34,277
25 to 29	56	142	97	0	0	0	0	0	0	0	0	295
Avg. Pay	33,714	36,290	39,740	0	0	0	0	0	0	0	0	36,935
30 to 34	41	135	132	41	2	0	0	0	0	0	0	351
Avg. Pay	34,865	38,561	40,675	44,671	*	0	0	0	0	0	0	39,705
35 to 39	39	99	93	52	25	0	0	0	0	0	0	308
Avg. Pay	39,277	38,061	41,178	48,137	53,752	0	0	0	0	0	0	42,131
40 to 44	40	88	114	53	61	26	7	0	0	0	0	389
Avg. Pay	35,571	39,969	40,344	46,682	58,136	58,082	*	0	0	0	0	45,083
45 to 49	31	57	77	48	50	52	48	1	0	0	0	364
Avg. Pay	39,151	36,378	41,030	46,558	55,638	64,125	66,313	*	0	0	0	49,631
50 to 54	17	46	64	42	28	38	41	29	2	0	0	307
Avg. Pay	*	37,256	37,118	39,316	57,182	64,201	65,618	69,782	*	0	0	49,266
55 to 59	12	36	55	39	27	18	10	2	1	0	0	200
Avg. Pay	*	38,013	37,873	45,380	54,014	*	*	*	*	0	0	43,834
60 to 64	2	23	40	20	16	7	8	0	0	0	0	116
Avg. Pay	*	31,279	40,551	35,962	*	*	*	0	0	0	0	39,981
65 to 69	0	4	10	7	3	1	0	0	0	0	1	26
Avg. Pay	0	*	*	*	*	*	0	0	0	0	*	36,977
70 & up	0	0	2	1	3	1	0	0	0	0	0	7
Avg. Pay	0	0	*	*	*	*	0	0	0	0	0	*
Total	287	689	688	303	215	143	114	32	3	1	1	2,475
Avg. Annual Pay	35,366	37,435	39,804	44,697	55,072	61,017	63,943	69,539	*	*	*	43,294

*pay information for cells with less than 20 employees have not been disclosed.

SCHEDULE G**RETIREE AND BENEFICIARY AGE TABLE****(All Participants Receiving Benefits)**

Attained Age / Annual Benefit	Years of Retirement								Total
	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 30	30 to 34	35 & up	
Under 55	54	12	4	1	0	0	0	0	71
Tot. Benefit	1,856,941	267,785	50,915	8,603	0	0	0	0	2,184,244
55 to 59	99	61	2	0	1	0	0	0	163
Tot. Benefit	4,056,592	2,594,259	44,213	0	4,995	0	0	0	6,700,060
60 to 64	110	112	30	5	3	2	0	0	262
Tot. Benefit	2,778,138	4,590,755	980,860	49,523	20,112	12,444	0	0	8,431,831
65 to 69	81	85	54	4	5	2	0	0	231
Tot. Benefit	1,142,450	2,433,659	1,981,215	26,838	37,675	16,024	0	0	5,637,860
70 to 74	16	55	62	18	16	1	0	0	168
Tot. Benefit	220,940	855,763	1,229,557	383,305	278,561	14,794	0	0	2,982,920
75 to 79	4	7	37	16	27	2	0	0	93
Tot. Benefit	46,176	174,704	456,081	213,370	329,249	7,794	0	0	1,227,374
80 to 84	3	3	5	22	17	2	0	0	52
Tot. Benefit	50,782	48,169	105,359	172,360	236,987	17,458	0	0	631,115
85 to 89	1	0	1	1	12	3	0	0	18
Tot. Benefit	2,215	0	4,847	15,802	107,186	25,086	0	0	155,135
90 to 94	0	0	0	0	1	5	1	0	7
Tot. Benefit	0	0	0	0	9,916	32,330	3,897	0	46,143
95 & up	0	0	0	0	0	0	1	0	1
Tot. Benefit	0	0	0	0	0	0	5,679	0	5,679
Total	368	335	195	67	82	17	2	0	1,066
Tot. Annual Benefit	10,154,235	10,965,093	4,853,046	869,800	1,024,682	125,929	9,576	0	28,002,361