FULTON COUNTY SCHOOLS EMPLOYEES' PENSION FUND



Actuarial Valuation Report

Prepared as of June 30, 2025

CavMac
Actuarial Consulting Services

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Actuarial Consulting Services

January 23, 2026

Retirement Board
Fulton County Schools Employees' Pension Fund
6201 Powers Ferry Road NW
Atlanta, GA 30339

Ladies and Gentlemen:

This report represents the results of the actuarial valuation of the Fulton County Schools Employees' Pension Fund as of June 30, 2025. The purpose of this report is to provide a summary of the funded status of the Plan as of June 30, 2025 and to determine the minimum required contribution amount for the 2026/2027 fiscal year. Our calculations were prepared based on member data and financial information provided by the System. While not verifying data at the source, the actuary performed tests for consistency and reasonableness. The asset values used to determine unfunded liabilities are not market values but less volatile market related values. A smoothing technique is applied to market values to determine the market related values. The unfunded liability amounts using the market value of assets would be different. The interest rate used for determining liabilities is based on the expected return on assets. Therefore, liability amounts in this report cannot be used to assess a settlement of the obligation.

The System receives contributions from the Fulton County Board of Education and Members. The annual contribution rate required by the Fulton County Board of Education is 4.04% of compensation for the fiscal year ending 2027.

In determining the Employer's contribution requirement, we have included interest to reflect our understanding that the Employer makes monthly contributions throughout the fiscal year. In the table below we present the Employer's contribution requirements whether the Employer elects to pay the full amount on July 1, 2026 or in monthly installments throughout the 2026/2027 fiscal year.

Employer contribution payable July 1, 2026	$2,988,084
Interest for monthly payments during 2026/2027 fiscal year	$90,267
Employer contribution payable in monthly installments	$3,078,351

Actuarial Standard of Practice Number 4 (ASOP 4) requires the disclosure of a reasonable Actuarial Determined Contribution (ADC). Based on the assumptions and methods used in this report, the ADC is reasonable with respect to ASOP 4.

In our opinion, the valuation is complete and accurate, and the methodology and assumptions are reasonable as a basis for the valuation. The rationale for the assumptions is an experience investigation for the five-year period ending June 30, 2021.

The System's unfunded liability was projected to be $8,155,721 as of June 30, 2025, taking into account total contributions from the Employer and Members of $28,526,710. The actual unfunded liability is ($2,256,923) as of June 30, 2025. The primary source of the decrease is a greater than expected return on an actuarial value of assets basis. A summary of the System's experience is presented in Section IIIa.

The valuation is based on a series of actuarial assumptions, including an interest (actuarial asset return) rate of 6.75% per year. Actuarial gains and losses result when actual experience of the System (such as asset return, pay increases, turnover, deaths, etc.) is different from that expected by the actuarial assumptions.

A separate report will be required to disclose the financial reporting requirements under GASB statements 67 and 68. The valuation method used is the entry age normal cost method. The normal contribution rate to cover current cost has been determined as a level percent of payroll. New gains and losses are reflected in the unfunded accrued liability which is being amortized on a level dollar basis within a 15-year period.

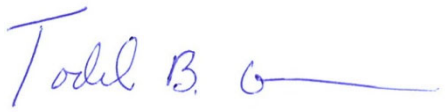
The System is being funded in conformity with the minimum funding standard set forth in Code Section 47-20-10 of the Public Retirement Systems Standards Law. Assuming that contributions to the System are made by the employer from year to year in the future at the rates recommended on the basis of the successive actuarial valuations, the continued sufficiency of the retirement fund to provide the benefits called for under the System may be safely anticipated.

This is to certify that the independent consulting actuaries are members of the American Academy of Actuaries and have experience in performing valuations for public retirement systems, 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 retirement system and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

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.

In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results.

Respectfully submitted,



Todd B. Green, ASA, EA, FCA, MAAA
President

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SECTION I – EXECUTIVE SUMMARY

A. Summary of Principal Results

	As of June 30, 2024	As of June 30, 2025
1. Number of Members		
a. Active Members (including New Participants)	**1783**	**1,867**
b. Deferred Vested Members	**176**	**186**
c. Retired Members:		
i. Service	2,398	2,378
ii. Disability	123	117
iii. Beneficiary	278	268
iv. Sub-total	**2,799**	**2,763**
d. Total Members	**4,758**	**4,816**
e. Terminated Members Due Contributions	**1,808**	**1,948**
2. Total Annual Compensation	**$74,408,031**	**$76,184,838**
3. Total Retired Member Benefits	**$34,423,537**	**$35,302,793**
4. Derivation of Actuarially Determined Contribution		
a. Present Value of Future Benefits	$601,523,407	$606,585,743
b. Present Value of Future Normal Cost	(29,456,859)	(29,822,665)
c. Actuarial Accrued Liability (AAL)	572,066,548	576,763,078
d. Actuarial Value of Assets (AVA)	($543,770,593)	($579,020,001)
e. Unfunded Accrued Liability (c. + d.)	**$28,295,955**	**($2,256,923)**
f. Funded Ratio	**95.1%**	**100.4%**
g. Normal Cost	$5,698,970	$5,799,832
h. Payment to Amortize Unfunded Liability (not less than $0	$927,278	$0
i. Administrative Expenses	$1,269,906	$760,074
j. Interest	$429,856	$279,209
k. Total (g. + h. + i. + j.)	**$8,326,010**	**$6,839,115**
5. Expected Employer Contributions Fiscal Year	**2025/2026**	**2026/2027**
a. Total Required Contribution (4.k above)	$8,326,010	$6,839,115
b. Expected Member Contributions	(3,720,353)	(3,760,764)
c. Expected County Contribution (a. + b.)	**$4,605,657**	**$3,078,351**
d. Expected Employer Contribution as % of Payroll	**6.19%**	**4.04%**
6. Market Value of Assets (MVA)	$544,216,715	$605,703,082

SECTION II – PLAN ASSETS

A. Summary of Assets Held

Asset Category	June 30, 2025
Cash and Cash Equivalents	$323,986
Investments	604,257,189
Receivable Investment Income and Deferred Revenue	1,121,907
Total Market Value of Assets	**$605,703,082**

SECTION II – PLAN ASSETS

B. Reconciliation of Market Value of Assets

	As of June 30, 2024	As of June 30, 2025
Market Value at Beginning of Plan Year	**$497,393,242**	**$544,216,715**
Adjustment	$0	$0
Adjusted Market Value at Beginning of Plan Year	**$497,393,242**	**$544,216,715**
Increases Due to:		
Employer Contributions	$24,495,837	$24,852,978
Employee Contributions	3,874,838	3,673,732
Investment income	57,574,938	72,485,792
Total Increases	$85,945,613	$101,012,502
Decreases Due to:		
Benefit Payments	($37,096,321)	($37,889,174)
Refund of Contributions	(789,901)	(897,230)
Administrative expenses	(1,235,918)	(739,731)
Total Decreases	($39,122,140)	($39,526,135)
Market Value at End of Plan Year	**$544,216,715**	**$605,703,082**
Expected Market Value (6.75% Assumed Return)	**$520,836,994**	**$569,580,688**
Market Value Gain/(Loss)	**$23,379,721**	**$36,122,394**
Approximate Net Return on Market Value	**11.70%**	**13.46%**

SECTION II – PLAN ASSETS

C. Development of Market Value of Assets (Gain)/Loss

	Market Value As of June 30, 2025
1. Market Value of Assets	
a. Beginning of Plan Year	$544,216,715
b. Adjustment	$0
c. Adjusted Beginning of Plan Year	$544,216,715
2. Increases Due to:	
a. Contributions:	
i. Employer	$24,852,978
ii. Members	$3,673,732
iii. **Total Contributions**	$28,526,710
3. Decreases Due to:	
a. Benefit payments	$37,889,174
b. Refund of member contributions	$897,230
c. Administrative expenses	$739,731
d. Miscellaneous	
e. **Total Decreases**	$39,526,135
4. Expected Investment Income [((1.c) x 6.75%) + ((2a.iii - 3e) x 0.5 x 6.75%)] - 1.b	$36,363,398
5. Actual Investment Income	$72,485,792
6. (Gain) / Loss [4 - 5]	($36,122,394)

SECTION II – PLAN ASSETS

D. Determination of Actuarial Value of Assets and Investment Gain/(Loss)

1. Market Value as of June 30, 2025		$605,703,082
2. Delayed Recognition of Market Gains/(Losses)		

Valuation Year	Market Gain/(Loss)	Percent Not Recognized	Amount Not Recognized
2025	$36,122,394	80%	$28,897,915
2024	$23,379,721	60%	$14,027,833
2023	15,104,731	40%	$6,041,892
2022	(111,422,795)	20%	($22,284,559)
			26,683,081

3. Actuarial Value as of June 30, 2025: (1) - (2)	579,020,001
4. Approximate Net Rate of Return on Actuarial Value	8.59%
5. Actuarial Value Gain/(Loss) for Plan Year Ending June 30, 2025	9,915,549

SECTION III – DEVELOPMENT OF CONTRIBUTION

A. Gain and Loss Analysis

1. Actual Unfunded Accrued Liability as of June 30, 2024	$28,295,955
2. Total normal cost for this plan year (including expenses)	$6,968,876
3. Interest on 1. and 2.	$2,380,376
4. Total contribution for this plan year (including amounts expected to be paid)	($28,526,710)
5. Interest on 4.	($962,776)
6. Changes due to:	
a. Assumptions and methods	$0
b. Plan amendments	$0
c. Actuarial (gain)/loss	($10,412,644)
7. Total Current Unfunded Actuarial Accrued Liability as of June 30, 2025 (1. + 2. + 3. + 4. + 5. + 6.)	($2,256,923)

8. Items Affecting Calculation of Accrued Liability

a. Actuarial assumptions and methods used to determine actuarial accrued liability and normal cost (See Appendix A)

b. Plan provisions reflected in the unfunded accrued liability (See Appendix B)

c. Plan amendments reflected in item 6.b. above

d. Changes in actuarial assumptions and methods reflected in items 6.a. and 6.c. above

A. Gain and Loss Analysis (Continued)

9.	**Expected Unfunded Accrued Liability as of June 30, 2025 Valuation:**			$8,155,721
10.	**Changes in UAL Due to Actuarial (Gains)/Losses During the 2024/2025 Plan Year:**			
a.	Due to Salary	($1,709,129)		
b.	Due to Turnover	2,653,274		
c.	Due to New Retirements	2,115,568		
d.	Due to Data Adjustments	(112,775)		
e.	Due to Mortality	(2,296,776)		
f.	Due to New Members	1,361,548		
g.	Due to Investment Performance	(9,915,549)		
h.	Other	(2,508,805)		
i.	Total		($10,412,644)	
11.	**Other Changes in UAL During the 2024/2025 Plan Year:**			
a.	Assumption and method changes	$0		
b.	Plan changes	$0		
c.	Total change			$0
12.	**Unfunded Accrued Liability as of June 30, 2025 Valuation:**			($2,256,923)

13. Comments on Change in Unfunded Accrued Liability:

Salary/Service: Average salary increased 3.2% vs. 4.3% expected salary increase.
Investment Performance: 8.59% actual vs. 6.75% expected return on the actuarial value of assets.
Turnover: Net effect on the valuation liabilities of actual deaths, terminations of employment and disabilities different from what was anticipated in the aggregate by the assumptions related to those events.
New retirements: Net effect of differences in expected vs. actual numbers of, and benefits for, new retirements and refund of employee contributions.
Data/Service Adjustments: Effect of service adjustments, status adjustments, and other data adjustments.
Other: Miscellaneous gains and losses resulting from difference in actual vs. expected benefit payments and refunds paid out, timing of financial transactions, etc.
Assumption and Method Changes: None
Plan Changes: None

B. Amortization of the Unfunded Actuarial Liability

Source and Date Established	Outstanding Balance as of June 30, 2024	2024/2025 Amortization Payment	Outstanding Balance as of June 30, 2025	2025/2026 Amortization Payment	Years Remaining June 30, 2025
2007 Assumption Changes	$3,465,147	$382,906	3,290,292	382,906	12 years
2010 Experience (Gain)/Loss	303,649	303,649	0	0	0 years
2012 Experience (Gain)/Loss	995,571	353,754	685,140	353,754	2 years
2012 Assumption Changes	(6,992,315)	(639,469)	(6,781,663)	(639,469)	17 years
2013 Experience (Gain)/Loss	1,679,278	461,803	1,299,654	461,803	3 years
2014 Experience (Gain)/Loss	(9,340,836)	(2,119,826)	(7,708,428)	(2,119,826)	4 years
2015 Experience (Gain)/Loss	(9,811,324)	(1,913,363)	(8,431,073)	(1,913,363)	5 years
2016 Experience (Gain)/Loss	(5,232,584)	(901,618)	(4,623,307)	(901,618)	6 years
2017 Experience (Gain)/Loss	7,347,764	1,141,563	6,625,119	1,141,563	7 years
2018 Experience (Gain)/Loss	(2,281,360)	(324,537)	(2,088,909)	(324,537)	8 years
2018 Assumption Changes	6,222,802	497,151	6,112,133	497,151	23 years
2019 Experience (Gain)/Loss	(1,555,205)	(205,034)	(1,441,307)	(205,034)	9 years
2020 Experience (Gain)/Loss	5,960,521	735,370	5,577,849	735,370	10 years
2021 Experience (Gain)/Loss	(9,809,985)	(1,141,632)	(9,253,467)	(1,141,632)	11 years
2022 Experience (Gain)/Loss	12,902,481	1,425,752	12,251,409	1,425,752	12 years
2022 Assumption Changes	13,811,365	1,040,386	13,633,020	1,040,386	27 years
2023 Experience (Gain)/Loss	9,923,132	1,047,034	9,475,235	1,047,034	13 years
2024 Experience (Gain)/Loss	(171,938)	(17,406)	(164,963)	(17,406)	14 years
2024 Assumption Changes	10,879,792	800,795	10,759,329	800,795	29 years
2025 Experience (Gain)/Loss			(31,472,986)	($3,186,136)	15 years
Total	**$28,295,955**	**$927,278**	**($2,256,923)**	**($2,562,508)**	

*The total experience (gain)/loss for 2024/2025 plan year of ($10,412,644) is adjusted for contribution timing differences adjusted for interest equal to $21,060,342.

SECTION IV – ACCOUNTING INFORMATION

A. Historical Schedule of Funding Progress

Actuarial Valuation Date	Fiscal Year Ending June 30	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) / (5)
6/30/2015	2017	$355,032,000	$477,926,000	$122,894,000	74.3%	$63,420,000	193.8%
6/30/2016	2018	$375,859,000	$477,413,000	$101,554,000	78.7%	$58,694,000	173.0%
6/30/2017	2019	$400,142,000	$499,892,000	$99,750,000	80.0%	$57,069,000	174.8%
6/30/2018	2020	$419,846,000	$508,769,000	$88,923,000	82.5%	$53,171,000	167.2%
6/30/2019	2021	$432,008,280	$503,590,784	$71,582,504	85.8%	$54,979,009	130.2%
6/30/2020	2022	$445,163,832	$507,674,270	$62,510,438	87.7%	$54,211,263	115.3%
6/30/2021	2023	$483,454,540	$516,967,640	$33,513,100	93.5%	$54,805,861	61.1%
6/30/2022	2024	$505,115,570	$548,424,414	$43,308,844	92.1%	$65,840,706	65.8%
6/30/2023	2025	$520,396,697	$556,658,564	$36,261,867	93.5%	$68,785,822	52.7%
6/30/2024	2026	$543,770,593	$572,066,548	$28,295,955	95.1%	$74,408,031	38.0%
6/30/2025	2027	$579,020,001	$576,763,078	($2,256,923)	100.4%	$76,184,838	-3.0%

SECTION IV – ACCOUNTING INFORMATION

B. Notes to Required Supplementary Information

Valuation Date	June 30, 2024	June 30, 2025
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar Amount, Layered	Level Dollar Amount, Layered
Amortization Period	30 years from 7/1/1994 for initial base; 30 years for assumption changes; 15 years for gains and losses	30 years for assumption changes; 15 years for gains and losses
Asset Valuation Method	5 - Year Smoothed Market	5 - Year Smoothed Market
Key Actuarial Assumptions		
Investment Rate of Return	6.75%	6.75%
Projected Salary Increases	5.00% for years 0-9, 3.50% afterward	5.00% for years 0-9, 3.50% afterward
Includes Inflation at	2.75%	2.75%
Cost-of-Living Adjustment	3.00%	3.00%

SECTION V – MEMBERSHIP DATA

A. Summary of Membership

Active Members	Number	Total Annual Salary	Average Salary	Average Age
Teachers				
No Dependent Coverage	130	$8,388,856	$64,530	53.1
With Dependent Coverage	63	4,718,694	74,900	55.7
Total	**193**	**13,107,550**	**67,915**	**53.9**
Non-Teacher Members				
No Dependent Coverage	1,182	$43,064,953	$36,434	50.2
With Dependent Coverage	492	20,012,335	40,675	48.6
Total	**1,674**	**63,077,288**	**37,681**	**49.7**
Total				
No Dependent Coverage	1,312	$51,453,809	$39,218	50.5
With Dependent Coverage	555	24,731,029	44,560	49.4
Total	**1,867**	**76,184,838**	**40,806**	**50.2**

SECTION V – MEMBERSHIP DATA

A. Summary of Membership (Continued)

Inactive Members

Retired Participants Receiving Benefits	
Number*	2,256
Annual Benefits	$27,210,625
Disabled Participants Receiving Benefits	
Number*	114
Annual Benefits	$1,844,214
Beneficiaries Receiving Benefits	
Number	268
Annual Benefits	$6,247,954
Total Currently Receiving Benefits	
Number	2,638
Annual Benefits	$35,302,793
Average Annual Benefits	$13,382
Former Teacher Participants with Spouses Eligible to Receive Future Death Benefits	
Number	718
Annual Benefits	$33,732,698
Terminated Non-Vested Participants Due Employee Contributions	
Number	1,948
Employee Contributions Due	$5,074,995
Terminated Participants with Deferred Vested Benefits	
Number	186
Annual Benefits	$3,219,542
Terminated Teacher Participants with Spouses Eligible to Receive Future Death Benefits	
Number	2
Annual Benefits	$14,835

*Does not include 125 former teacher participants not currently in receipt with spouses eligible to receive future death benefits.

SECTION V – MEMBERSHIP DATA

B. Reconciliation of Membership to Prior Valuation

	Active	Terminated Vested	Retired	Disabled	Beneficiary	Total
Number of members as of June 30, 2024	**1,783**	**1,984**	**2,398**	**123**	**278**	**6,566**
Change in Status during the plan year:						
a. Actives who became inactive	(252)	252				
b. Actives who retired	(12)		12			
c. Inactives who became active	23	(23)				
d. Inactives who retired		(41)	41			
e. Retirees who became active						
f. Retirees who became inactive						
No longer members due to:						
a. Death	(2)	(2)	(73)	(6)	(21)	(104)
b. Refund of contributions	(67)	(196)				(263)
c. Safety Net	(12)	(3)				(15)
New members due to:						
a. Initial membership	406	160				566
b. Death of another member					11	11
c. Correction		3				3
Number of members as of June 30, 2025	**1,867**	**2,134**	**2,378**	**117**	**268**	**6,764**

C. Distribution of Active Non-Teachers as of June 30, 2025: Age, Service and Average Annual Earnings

	Completed Years of Service										
Age	**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**
Under 25	23	15	0	0	0	0	0	0	0	0	**38**
Avg. Pay	21,881	31,364	0	0	0	0	0	0	0	0	25,624
25 to 29	38	39	9	0	0	0	0	0	0	0	**86**
Avg. Pay	24,389	32,628	43,280	0	0	0	0	0	0	0	30,102
30 to 34	54	53	18	4	0	0	0	0	0	0	**129**
Avg. Pay	27,334	31,080	43,755	49,976	0	0	0	0	0	0	31,867
35 to 39	70	87	27	8	0	0	0	0	0	0	**192**
Avg. Pay	27,441	33,348	40,422	57,126	0	0	0	0	0	0	33,180
40 to 44	46	72	42	11	2	2	0	0	0	0	**175**
Avg. Pay	29,790	31,920	44,395	54,959	27,767	90,951	0	0	0	0	36,430
45 to 49	50	63	36	14	9	5	1	0	0	0	**178**
Avg. Pay	25,241	32,931	44,258	56,227	52,161	51,372	69,716	0	0	0	36,591
50 to 54	29	90	45	18	10	11	1	0	0	0	**204**
Avg. Pay	26,000	31,516	38,718	54,421	55,995	51,656	82,208	0	0	0	36,876
55 to 59	31	63	36	25	21	12	11	5	0	0	**204**
Avg. Pay	31,674	35,472	35,573	57,464	51,856	50,247	51,846	84,433	0	0	42,246
60 to 64	23	66	41	26	33	25	11	4	1	0	**230**
Avg. Pay	34,388	36,339	43,747	49,518	53,416	55,772	61,700	85,952	115,007	0	45,935
65 & Up	27	62	60	40	19	14	8	4	4	0	**238**
Avg. Pay	26,282	30,638	36,905	46,929	53,436	52,969	54,259	72,285	64,619	0	39,661
Total	391	610	314	146	94	69	32	13	5	0	**1,674**
Avg. Pay	27,355	32,842	40,628	52,256	52,680	54,287	57,344	81,162	74,697	0	37,681

D. Distribution of Active Teachers as of June 30, 2025: Age, Service and Average Annual Earnings

	Completed Years of Service										
Age	**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**
Under 25	0	0	0	0	0	0	0	0	0	0	**0**
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	**0**
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	2	3	2	0	0	0	0	0	0	**7**
Avg. Pay	0	45,364	57,769	64,688	0	0	0	0	0	0	56,202
35 to 39	0	3	3	5	0	0	0	0	0	0	**11**
Avg. Pay	0	37,580	37,548	52,106	0	0	0	0	0	0	44,174
40 to 44	0	6	6	7	1	4	0	0	0	0	**24**
Avg. Pay	0	50,954	62,080	55,863	63,541	83,083	0	0	0	0	61,047
45 to 49	0	2	4	4	4	3	1	0	0	0	**18**
Avg. Pay	0	42,391	43,548	78,245	66,075	85,992	141,031	0	0	0	68,626
50 to 54	0	2	5	9	7	5	4	1	0	0	**33**
Avg. Pay	0	52,578	49,788	60,927	74,827	87,349	74,541	104,174	0	0	68,646
55 to 59	0	6	2	6	4	11	3	1	0	0	**33**
Avg. Pay	0	49,144	63,895	53,853	82,233	70,500	69,735	117,735	0	0	65,974
60 to 64	0	2	6	7	8	2	3	3	8	1	**40**
Avg. Pay	0	39,957	58,852	67,752	61,514	74,658	79,832	71,470	93,865	111,463	71,625
65 & Up	0	1	0	6	5	4	0	1	5	5	**27**
Avg. Pay	0	53,075	0	70,557	72,460	86,281	0	67,050	90,099	103,802	82,237
Total	0	24	29	46	29	29	11	6	13	6	**193**
Avg. Pay	0	46,958	53,878	62,239	70,172	79,207	80,718	83,895	92,416	105,079	67,915

SCHEDULE VI – RISK CONSIDERATIONS

Actuarial Standards of Practice are issued by the Actuarial Standards Board and are binding on credentialed actuaries practicing in the United States. These standards generally identify what the actuary should consider, document and disclose when performing an actuarial assignment. In September 2017, Actuarial Standard of Practice Number 51, Assessment and Disclosure of Risk in Measuring Pension Obligations, (ASOP 51) was issued as final with application to measurement dates on or after November 1, 2018. This ASOP, which applies to funding valuations, actuarial projections, and actuarial cost studies of proposed plan changes, is first applicable for the June 30, 2019 actuarial valuation for the Plan.

A typical retirement plan faces many different risks, but the greatest risk is the inability to make benefit payments when due. If plan assets are depleted, benefits may not be paid which could create legal and litigation risk or the plan could become "pay as you go". The term "risk" is most commonly associated with an outcome with undesirable results. However, in the actuarial world, risk can be translated as uncertainty. The actuarial valuation process uses many actuarial assumptions to project how future contributions and investment returns will meet the cash flow needs for future benefit payments. Of course, we know that actual experience will not unfold exactly as anticipated by the assumptions and that uncertainty, whether favorable or unfavorable, creates risk. ASOP 51 defines risk as the potential of actual future measurements to deviate from expected results due to actual experience that is different than the actuarial assumptions.

The various risk factors for a given plan can have a significant impact – positive or negative – on the actuarial projection of liability and contribution rates.

There are a number of risks inherent in the funding of a defined benefit plan. These include:

- economic risks, such as investment return and price inflation;
- demographic risks such as mortality, payroll growth, aging population including impact of baby boomers, and retirement ages;
- contribution risk, i.e., the potential for contribution rates to be too high for the plan sponsor/employer to pay and
- external risks such as the regulatory and political environment.

There is a direct correlation between healthy, well-funded retirement plans and consistent contributions equal to the full actuarial contribution rate each year. The Plan is primarily funded by member and employer contributions to the trust fund, together with the earnings on these accumulated contributions. These contributions fund benefit accruals for current active members and administrative expenses. The remainder of the contributions amortizes the unfunded actuarial accrued liability. The required contribution rate is the sum of the rates for the normal cost for the plan and the amortization of the unfunded actuarial accrued liability. The required contribution rate is sensitive to increases in the UAAL and periods of lower than expected returns would lead to much higher contribution rates as a percentage of payroll.

SCHEDULE VI – RISK CONSIDERATIONS

The other significant risk factor for the Plan is investment return because of the volatility of returns and the size of plan assets compared to payroll. A perusal of historical returns over 10-20 years reveals that the actual return each year is rarely close to the average return for the same period. This is to be expected, given the underlying capital market assumptions and the Plan's asset allocation. To the extent market rates of interest affect the expected return on assets, there is a risk of change to the discount rate which determines the present value of liabilities and actuarial valuation results.

A key demographic risk for the Plan is improvements in mortality (longevity) greater than anticipated. While the actuarial assumptions reflect a margin for improvement in mortality experience these assumptions are refined every experience study, the risk arises because there is a possibility of some sudden shift, perhaps from a significant medical breakthrough that could quickly increase liabilities. Likewise, there is some possibility of a significant public health crisis that could result in a significant number of additional deaths in a short time period, which would also be significant, although more easily absorbed. While either of these events could happen, it represents a small probability and thus represents much less risk than the volatility associated with investment returns.

Under the revised Actuarial Standards of Practice (ASOP) No. 4 effective for valuations after February 15, 2023, we include a low-default-risk obligation measure of the System's liability in our funding valuation report. This is an informational disclosure as described below and would not be appropriate for assessing the funding progress or health of the plan. This measure uses the unit credit cost method and reflects all the assumptions and provisions of the funding valuation except that the discount rate is derived from considering low-default-risk fixed income securities. We considered the FTSE Pension Discount Curve based on market bond rates published by the Society of Actuaries as of June 30, 2025 and with the 30-year spot rate used for all durations beyond 30. Using these assumptions, we calculate a liability of $620.1 million. This amount approximates the termination liability if the plan (or all covered employment) ended on the valuation date and all of the accrued benefits had to be paid with cash-flow matched bonds. This assurance of funded status and benefit security is typically more relevant for corporate plans than for governmental plans since governments rarely have the need or option to completely terminate a plan.

APPENDIX A – ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

Each of the assumptions used in this valuation was set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, the results of a formal experience study conducted on the period July 2016 through July 2021, and our professional judgment regarding future experience. We believe the assumptions are reasonable for the contingencies they are measuring and are not anticipated to produce significant cumulative actuarial gains or losses over the measurement period.

Investment Return

6.75% per year net of investment-related expenses

Salary Increase

Service	Rate
0-9	5.00%
10+	3.50%

Consumer Price Index

2.75% per year

Administrative Expenses

Actual administrative expenses paid in the prior year, increased one year by the assumed Consumer Price Index.

Pre-retirement Mortality

PUB-2010 General Below Median Employees mortality table. Future improvement in mortality rates is reflected by applying the MP-2021 projection scale generationally.

Healthy Mortality

PUB-2010 General Below Median Healthy Retiree mortality table with ages set forward 2 years for females only. Future improvement in mortality rates is reflected by applying the MP-2021 projection scale generationally.

Disabled Mortality

PUB-2010 General Below Median Disabled Retiree mortality table. Future improvement in mortality rates is reflected by applying the MP-2021 projection scale generationally.

Beneficiary Mortality

PUB-2010 General Below Median Contingent Survivors mortality table with ages set back 1 year for males and set forward 2 years for females. Future improvement in mortality rates is reflected by applying the MP-2021 projection scale generationally.

APPENDIX A – ACTUARIAL ASSUMPTIONS AND METHODS

Retirement

Age	Teachers	Non-Teachers
50-64	26%	18%
65	31	18
66-74	26	18
75+	100	100

In addition to the above, 4% of Teachers and 15% of Non-Teachers are assumed to retire at first eligibility for unreduced retirement.

Turnover

Years of Service	Teachers	Non-Teachers
0	15.00%	29.00%
1	15.00	22.00
2	15.00	19.50
3	15.00	18.50
4	15.00	13.00
5	15.00	12.00
6-10	8.50	9.50
11-18	8.50	7.50
19+	8.50	5.00

Disability

50% of the 1996 Social Security Rate of Disability Table for males and 75% of the 1996 Social Security Rate of Disability for females.

Beneficiaries

Males are assumed to be three years older than females. Spouses are assumed not to remarry. All members with dependent coverage are assumed to be married.

B. Actuarial Methods

Funding Method

Entry Age Normal Cost Method

Amortization of Unfunded Actuarial Accrued Liability/Surplus

Level dollar amortization over 30 years for assumption changes, and 15 years for gains and losses.

Asset Valuation Method

The actuarial value of assets is calculated by recognizing market gains and losses over a five-year period.

APPENDIX B – SUMMARY OF PLAN PROVISIONS

This exhibit summarizes the major provisions of the Fund. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirement and benefit amounts shall be determined in strict accordance with the plan document itself.

A. Effective Date

May 1, 1945

B. Covered Employees

Teachers hired before July 1, 1988 and school employees of Fulton County are eligible for membership in the Pension Fund. Effective July 1, 1988, Teacher members are also covered under the Teachers' Retirement System of Georgia (TRS). Teachers will receive a retirement benefit from TRS. Teachers may also be eligible to receive benefits from the Fulton County School Employees' Pension Fund if Fund benefits exceed the TRS benefit.

C. Creditable Service

The Fund covers all time as an employee during which or for which maximum pension contributions were made. Service with other Georgia entities is credited under special rules.

D. Final Average Monthly Earnings

The average of the three highest consecutive twelve-month periods of employment.

E. Normal Retirement

Eligibility

An employee is eligible to retire with an unreduced benefit at the earliest of:

- Age 65 and 10 years of service;
- Age 60 and 25 years of service;
- 30 years of service

Benefits

For members covered under the 1978 Pension Law, 2% of the participant's Final Average Monthly Earnings multiplied by years of Creditable Service. For members covered under the 1962 Pension Law, 1.76% of the participant's Final Average Monthly Earnings multiplied by years of Creditable Service. The monthly maximum benefit is equal to 75% of final average monthly earnings.

F. Accrued Benefit

The accrued benefit at any date is the normal retirement pension earned through that date. The minimum benefit is $17 per month for each year of creditable service, not to exceed 40 years. (Minimum benefit became effective July 1, 1995). Cost-of-Living Increases are not applied to the minimum benefit. The minimum benefit does not apply to persons receiving a pension from TRS.

G. Early Retirement

Eligibility

An employee is eligible for early retirement at the attainment of age 55 and 25 years of Creditable Service.

Benefits

The accrued benefit reduced for each year between the date payments start and age 60. The reduction is 1/12 of 2% for each month by which the participant's retirement date precedes age 60.

H. Late Retirement

The amount of benefit for a participant retiring after his normal retirement date is the accrued benefit as of the actual retirement date.

I. Disability

Eligibility

An employee who becomes totally disabled before becoming eligible for retirement benefits under the Fund but after completing 10 years of service is eligible for disability retirement benefits. Employees disabled in the line of duty are eligible regardless of their years of service.

Benefits

The accrued benefit, as of the date of disability, not reduced for age. For participants disabled in the line of duty, the benefit will be at least equal to the accrued benefit at age 55 and 25 years of service.

J. Termination Benefits

Eligibility

A participant who has completed at least 25 years of service shall be entitled to a vested retirement pension deferred to commence at age 55, provided his or her accumulated contributions are not withdrawn. Any employee who has completed 10 years of service shall be entitled to a vested retirement pension deferred to commence at age 65, provided the accumulated contributions are not withdrawn.

Benefits

The vested retirement pension is equal to the accrued benefit. If the participant has less than 30 years of service, the accrued benefit shall be reduced by 1/12 of 2% for each month by which the benefit commencement date precedes age 60.

K. Refund of Contributions

A participant who terminates before he or she is eligible to receive benefits will receive a refund equal to the sum of his or her own contributions without interest.

L. Death Benefits

Death benefits for death in the line of duty will be payable in an amount equal to 70% of the benefit for disability in the line of duty to the surviving spouse, or in absence of spouse, to any unmarried children under age 21. The death benefit continues for the life of the spouse. Benefits payable to children would cease at age 21 or at marriage if sooner. Upon the death not in the line of duty of a member who has contributed toward beneficiaries' benefit coverage and who has attained age 65 or completed 10 years of service, a beneficiaries' pension equal to 70% of the member's accrued benefit paid to his spouse for life or until his children reach age 21.

M. Cost-of-Living Increases

The benefits paid to recipients that have been retired more than one year are increased annually by 3%.

APPENDIX B – SUMMARY OF PLAN PROVISIONS

N. Employee Contributions

Each member covered under the 1978 law contributes 6.6% of gross salary if beneficiary coverage was elected and 5.6% of gross salary if beneficiary coverage was not elected. Each member covered under the 1962 law contributes 6% of gross salary if beneficiary coverage was elected and 5% of gross salary if beneficiary coverage was not elected. Members covered under laws prior to 1962 contribute amounts prescribed in those laws.

If the member is also a member of TRS, the contribution is split between the two funds with 6.00% of gross salary being contributed to TRS. The remainder of the contribution as outlined in the preceding paragraph is made to the Fulton County School Employees' Pension Fund.

O. Changes in Plan Provisions Since Prior Valuation

None.

APPENDIX C – SUMMARY OF PLAN PROVISIONS FOR TRS

This exhibit summarizes the major provisions of the Plan. It is not intended to be, nor should it be interpreted as a complete statement of all plan provisions. All eligibility requirement and benefit amounts shall be determined in strict accordance with the plan document itself.

A. Effective Date

January 1, 1941

B. Covered Employees

All Teachers, as defined by TRS, employed by the State of Georgia, the county or independent board of education, the State Board of Education, the Board of Regents of the University System of Georgia, or any other agency of and within the State by which a Teacher is paid.

C. Creditable Service

The System covers all time as a Teacher during which or for which maximum pension contributions were made.

D. Final Average Monthly Earnings

The average of the twenty-four highest consecutive months of employment.

E. Normal Retirement

Eligibility

An employee is eligible to retire with an unreduced benefit at the earliest of:

- Age 60 and 10 years of service;
- 30 years of service

Benefits

- An annuity which is the actuarial equivalent of the participant's accumulated contributions at the time of retirement; and
- A pension that, together with the annuity, will provide a total of 2% of the participant's final average monthly earnings multiplied by the number of years of creditable service limited to 40 years.
- The accrued benefit is reduced 1/12 of 7% for each month between the date payments starts and the earlier of age 60 or 30 years of service.

F. Accrued Benefit

The accrued benefit at any date is the normal retirement pension earned through that date. The minimum benefit is $17 per month for each year of creditable service, not to exceed 40 years.

G. Late Retirement

The amount of benefit for a participant retiring after his normal retirement date is the accrued benefit as of the actual retirement date.

H. Disability

Eligibility

An employee who becomes totally disabled before becoming eligible for retirement benefits under the Plan but after completing 10 years of service is eligible for disability retirement benefits.

Benefits

The accrued benefit, as of the date of disability, not reduced for age.

I. Termination Benefits

Eligibility

Any employee who has completed 10 years of service shall be entitled to a vested retirement pension deferred to commence at age 60, provided the accumulated contributions are not withdrawn.

Benefits

The vested retirement pension is equal to the accrued benefit at the time of termination.

J. Refund of Contributions

A participant who terminates before he or she is eligible to receive benefits will receive a refund equal to the sum of his or her own contributions with interest. Other participants may elect to receive their contributions, plus interest in lieu of any other benefit.

APPENDIX C – SUMMARY OF PLAN PROVISIONS FOR TRS

K. Death Benefits

Upon the death of a member who has completed 10 years of service, a beneficiaries' pension equal to 100% of the member's accrued benefit shall be paid throughout the life of his beneficiary.

L. Cost-of-Living Increases

Based on the Consumer Price index, limited to 1.5% per six months with no adjustments if the increase is less than 0.5%. Adjustments are made each January 1 and July 1. No reductions will be made for the first 2.5% decrease in the CPI and benefits will not be reduced below the amounts initially paid upon retirement. In addition, for members who retired prior to January 1, 2013, a one-time 3% increase on the first $37,500 for members' allowances is made at retirement.

M. Employee Contributions

Each member contributes 6.00% of earnable compensation. However, no contributions are payable after the attainment of age 65 and the completion of 40 years of creditable service. Members may elect to cease making contributions after the completion of 40 years of creditable service but before the attainment of age 65. The state contributes at a specified percentage of active member payroll determined annually by actuarial valuation.

N. Changes in Plan Provisions Since Prior Valuation

None.