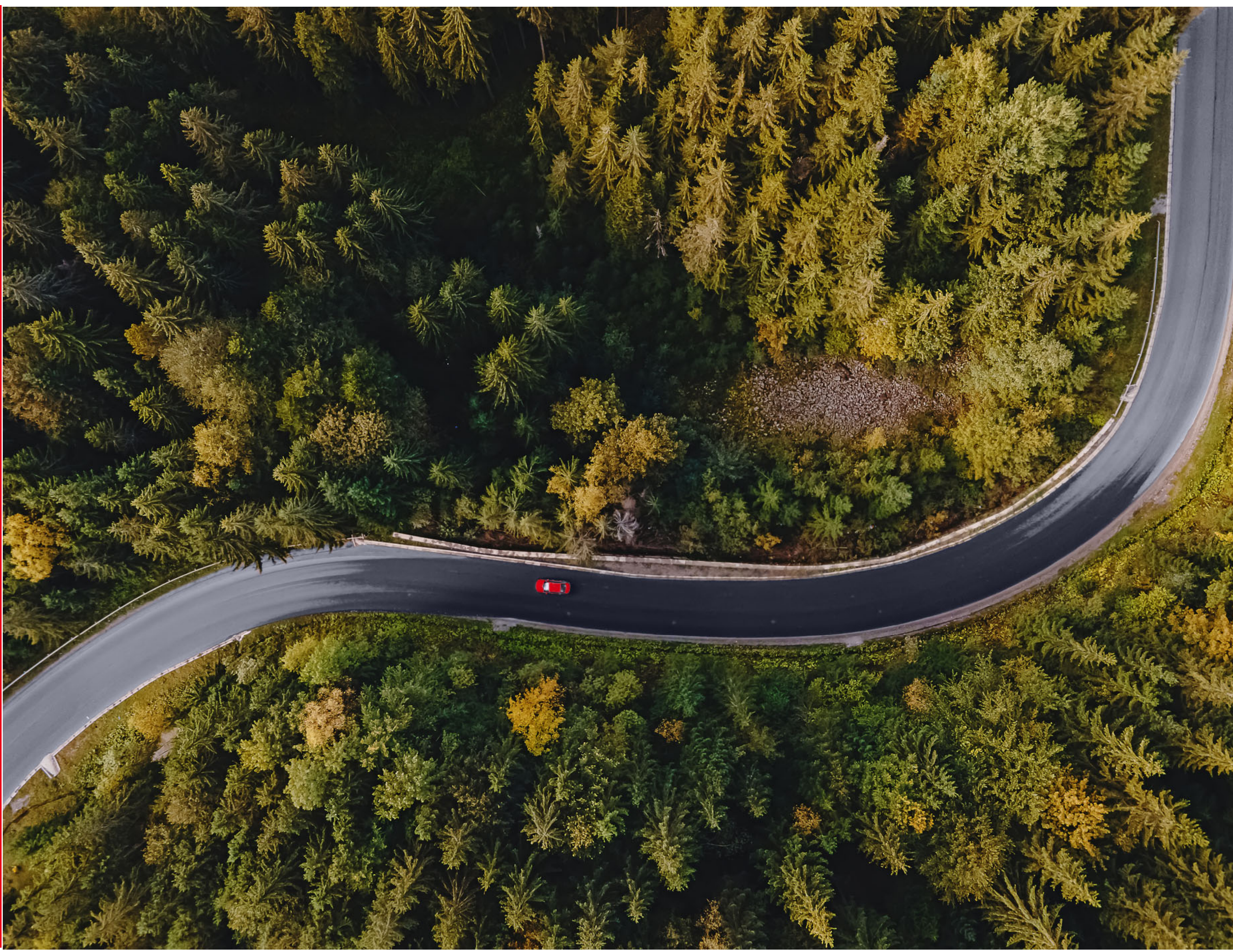
Actuarial Valuation Report

City of Atlanta

General Employees' Pension Fund

As of July 1, 2024



Introduction

This report documents the results of the funding actuarial valuation as of July 1, 2024 of the City of Atlanta General Employees' Pension Fund for the City of Atlanta. The information provided in this report is intended strictly for documenting the ADC for fiscal year 2025 - 2026.

Determinations for purposes other than the ones described above may be significantly different from the results in this report. Thus, the use of this report for purposes other than those expressed here may not be appropriate.

This valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board. In addition, the valuation results are based on our understanding of the reporting requirements under Georgia Code Title 47 section 20 including any guidance or interpretations provided by the City of Atlanta and/or its audit partners prior to the issuance of this report. The information in this report is not intended to supersede or supplant the advice and interpretations of the City of Atlanta's auditors.

A valuation model was used to develop the liabilities for the June 30, 2024 valuation. The valuation model relies on ProVal software, which was developed by Winklevoss Technologies, LLC. Experts within Aon selected this software and determined it is appropriate for performing valuations. We coded and reviewed the software for the provisions, assumptions, methods and data of the City of Atlanta General Employees' Pension Fund.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to (but not limited to) such factors as the following:

- Plan experience differing from that anticipated by the economic or demographic assumptions.
- Changes in actuarial methods or 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).
- Changes in plan provisions or applicable law.

Due to the limited scope of our assignment, we did not perform an analysis of the potential range of such future measurements. However, an assessment and disclosure of risks pertaining to the funding valuation as required by the actuarial standards of practice is being provided in a separate report.

Funded status measurements shown in this report are determined based on various measures of plan assets and liabilities. For funding purposes, plan assets are measured based on the asset valuation method described in the Actuarial Assumptions and Methods section of this report. Plan liabilities are measured based on the interest rates and other assumptions summarized in the Actuarial Assumptions and Methods section of this report.

These funded status measurements may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations.

In determining the minimum annual required contribution for the City of Atlanta General Employees' Pension Fund, Aon may be assisting the appropriate plan fiduciary as it performs tasks that are required for the administration for an employee benefit plan. Aon may be consulting with the employer/plan sponsor (the City of Atlanta) as it considers alternative strategies for funding the plan. Thus, Aon potentially will be providing assistance to the City of Atlanta (and/or certain of its employees) acting in a fiduciary capacity (for the benefit of plan participants and beneficiaries) and to the City of Atlanta (and/or its executives) acting in a settlor capacity (for the benefit of the employer sponsoring the City of Atlanta General Employees' Pension Fund).

In conducting the valuation, we have relied on personnel, plan design and asset information supplied by the City of Atlanta as of the valuation date. While we cannot verify the accuracy of all the information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy or completeness of the information and believe that it has produced appropriate results.

The actuarial assumptions and methods used in this valuation are described in the Actuarial Assumptions and Methods section of this report. The City of Atlanta selected the funding economic and demographic assumptions and prescribed them for use for purposes of compliance with the state's funding regulations. Aon provided guidance with respect to these assumptions, and it is our belief that the assumptions represent reasonable expectations of anticipated plan experience and the combined effect of the assumptions, other than methods set by law or items we are unable to assess for reasonableness, have no significant bias.

The undersigned are familiar with the near-term and long-term aspects of Pension valuations and collectively meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. The information provided in this report is dependent upon various factors documented throughout this report, which may be subject to change. Each section of this report is considered to be an integral part of the actuarial opinions.

To our knowledge, no colleague of Aon providing services to The City of Atlanta has any material direct or indirect financial interest in The City of Atlanta. Thus, we believe there is no relationship that might affect our capacity to prepare and certify this actuarial report for The City of Atlanta.

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Funding Requirements

Summary

The following table illustrates the unfunded pension liability under the plan's funding policy, which was established with the July 1, 2010 valuation.

	Valuation Date July 1, 2023[1]	Valuation Date July 1, 2024
Pension Liability		
Retired Participants and Beneficiaries Receiving Payment	$ 1,500,697,833	$ 1,542,285,121
Terminated Vested Participants	28,588,470	25,973,903
Inactive Participants Due Refund of Contributions	7,111,804	10,434,702
Active Participants	538,489,338	583,537,761
Total	$ 2,074,887,445	$ 2,162,231,487
Actuarial Value of Assets	1,498,446,332	1,531,887,260
Unfunded Accrued Liability	$ 576,441,113	$ 630,344,227
Funded Ratio	72.22%	70.85%
Discount Rate	7.00%	7.00%

[1] Results from prior actuary.

Actuarially Determined Contribution

The following table illustrates the actuarially determined contribution (ADC) under the plan's funding policy. The ADC is the amount needed to fund the benefits accrued in the current year, plus administrative expenses incurred in the current year, plus an amortization of the unfunded liability. As of July 1, 2020, the amortization schedule was reset to 21 years to match the Police Officers' and Firefighters' Funds. As of July 1, 2024, there are 17 years remaining on this schedule. If the plan sponsor annually contributes the ADC and actual plan experience is equal to assumed, the plan would be expected to become fully funded on the minimum funding basis within 17 years and to have a lower contribution requirement in subsequent years.

Based on the plan sponsor's funding policy, the plan's unfunded liability would be expected to decrease over time, and the plan assets would be expected to be sufficient to pay plan benefits for all future years. The plan's unfunded liability is estimated to be fully amortized in 17 years. A one-year lookback is used for the actuarially determined contributions. Assets and liabilities as of July 1, 2024 are used to determine contributions during the fiscal year 2025 – 2026.

	Fiscal Year 2024 – 2025[1]	Fiscal Year 2025 – 2026
Total Normal Cost	$ 27,920,661	$ 37,972,186
Administrative Expenses	1,371,390	1,402,246
Expected Employee Contributions	(20,894,869)	(28,104,804)
Amortization of the Unfunded Liability	43,418,702	49,426,811
Adjustment for Timing	3,390,846	3,971,992
Actuarially Determined Contribution	$ 55,206,730	$ 64,668,431
Projected Payroll	$ 223,131,030	$ 267,344,558
ADC as Percent of Projected Payroll	24.74%	24.19%

Reasonable Actuarially Determined Contribution

The actuarially determined contribution in this report is considered reasonable because it meets the criteria of Section 3.21 of Actuarial Standard of Practice No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions (ASOP 4):

- All significant assumptions are reasonable.
- Combined impact of assumptions are projected to have no significant bias.
- The actuarial cost method allocates cost in a reasonable way over employees' careers.
- Amortizations are projected to either fully amortize the unfunded liability or reduce the unfunded accrued liability by a reasonable amount within a reasonable period.
- The asset method and output smoothing method (if any) are consistent with actuarial standards.
- Contributions are projected to accumulate assets adequate to make benefit payments when due.

[1] Results from prior actuary.

Market Value of Assets

	Valuation Date July 1, 2023	Valuation Date July 1, 2024
Fair Value of Assets at Beginning of Measurement Period	$ 1,403,948,000	$ 1,466,705,000
Contributions — Employer	48,330,000	48,772,000
Contributions — Employee	19,547,000	20,431,000
Benefit Payments	(142,434,000)	(146,515,000)
Administrative Expenses	(1,162,000)	(1,158,000)
Investment Return	138,476,000	148,213,000
Fair Value of Assets at End of Measurement Period	$ 1,466,705,000	$ 1,536,448,000
Receivable Contributions	0	0
Market Value of Assets at End of Measurement Period	$ 1,466,705,000	$ 1,536,448,000

Development of Expected Investment Return

	Valuation Date July 1, 2023	Valuation Date July 1, 2024
Pension Asset at Beginning of Measurement Period	$ 1,403,948,000	$ 1,466,705,000
Contributions — Employer	48,330,000	48,772,000
Contributions — Employee	19,547,000	20,431,000
Benefit Payments	(142,434,000)	(146,515,000)
Administrative Expenses	(1,162,000)	(1,158,000)
Other	83,000	0
Expected Return on Assets	7.00%	7.00%
Expected Investment Return	$ 95,629,100	$ 99,924,160

Actuarial Value of Assets

		June 30, 2024
(1)	Market Value of Assets	$ 1,536,448,000
(2)	Asset Gains/(Losses) for Four Prior Years	
	(a) June 30, 2024	$ 48,288,840
	(b) June 30, 2023	42,763,900
	(c) June 30, 2022	(314,266,605)
	(d) June 30, 2021	329,889,850
(3)	Unrecognized Asset Gains/(Losses)	
	(a) June 30, 2024: 80% of (2)(a)	$ 38,631,072
	(a) June 30, 2023: 60% of (2)(a)	25,658,340
	(c) June 30, 2022: 40% of (2)(c)	(125,706,642)
	(d) June 30, 2021: 20% of (2)(d)	65,977,970
	(e) Total: (a) + (b) + (c) + (d)	$ 4,560,740
(4)	Preliminary Actuarial Value of Assets = (1) – (3)(e)	$ 1,531,887,260
(5)	Adjustment to Be Within 20% of Market Value	$ 0
(6)	Actuarial Value of Assets = (4) + (5)	$ 1,531,887,260

Liability (Gain)/Loss

The following table illustrates the liability gain/loss.

	Valuation Date July 1, 2023	Valuation Date July 1, 2024
Pension Liability at Beginning of Measurement Period	$ 2,005,481,290	$ 2,074,887,445
Normal Cost, Excluding Administrative Expenses	24,935,668	27,920,661
Interest on the Total Pension Liability	137,229,214	142,155,273
Changes of Benefit Terms	0	47,002,144
Changes of Assumptions	0	0
Benefit Payments	(142,434,000)	(146,515,000)
Expected Pension Liability at End of Measurement Period	2,025,212,172	2,145,450,523
Actual Pension Liability at End of Measurement Period	2,074,887,445	2,162,231,487
Pension Liability (Gain)/Loss	$ 49,675,273	$ 16,780,964

Asset (Gain)/Loss

The following table illustrates the asset gain/loss.

	Valuation Date July 1, 2023	Valuation Date July 1, 2024
Pension Asset at Beginning of Measurement Period	$ 1,403,948,000	$ 1,466,705,000
Contributions — Employer	48,330,000	48,772,000
Contributions — Employee	19,547,000	20,431,000
Expected Investment Income	95,629,100	99,424,160
Benefit Payments	(142,434,000)	(146,515,000)
Administrative Expense	(1,162,000)	(1,158,000)
Other	83,000	0
Expected Pension Asset at End of Measurement Period	1,423,941,000	1,488,159,160
Actual Pension Asset at End of Measurement Period	1,466,705,000	1,536,448,000
Pension Asset (Gain)/Loss	$ (42,763,900)	$ (48,288,840)

Amortization of Unfunded Liability (Gains)/Losses

The table below lists the closed amortization of the unfunded liability as of July 1, 2024, to be contributed during the fiscal year 2025 – 2026. The amortization payment is re-calculated each year as the amortization period decreases.

Date Established	Type of Base	Amortization Period	Balance	Payment
July 1, 2024	Unfunded Liability	17	$630,344,227	$49,426,811

Low-Default-Risk Obligation Measure ("LDROM")

A key purpose of this report is to communicate an Actuarially Determined Contribution and Funded Percentage for the General Pension Fund. For both of these calculations, we use an Actuarial Accrued Liability that represents the present value of the portion of expected future benefit payments accrued under the plan's actuarial cost method, discounted back to the valuation date using an asset return expectation of 7.00 percent. The asset return expectation is based on the plan's diversified asset portfolio and long-term capital market return assumptions for the various asset classes represented in the portfolio. The objective of the portfolio is to maximize investment returns with a reasonable amount of risk.

For all funding valuations with measurement dates on or after February 15, 2023, and for which an actuarial report is issued on or after February 15, 2023, ASOP 4 now requires the calculation and disclosure of an additional measure of the plan's liability using a discount rate or discount rates derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future.

This additional liability measure is referred to as the Low-Default-Risk Obligation Measure (LDROM). The LDROM shown in this report is based upon the Bond Buyer GO-20 index as of the measurement date, 3.93 percent, although other discount rates may also be appropriate for this purpose.

The LDROM can be thought of as a measure of what the plan's funding liability would be if the plan were to use an ultra-low-risk investment policy. Since plan assets are not invested in an all-bond portfolio, the LDROM may not be appropriate for assessing funding status progress on an Actuarial Accrued Liability basis, necessary plan contributions, or the security of participant benefits.

All assumptions and methods other than the asset return assumption are the same for the calculation of Actuarial Accrued Liability and LDROM.

	July 1, 2024
LDROM	$ 3,009,758,300
Interest Rate	3.93%
Actuarial Cost Method	Entry Age Normal

Appendix

Participant Data

Participant Data

The actuarial valuation was based on personnel information from the City of Atlanta records as of July 1, 2024. Following are some of the pertinent characteristics from the personnel data as of that date. Prior year characteristics are also provided for comparison purposes. Both age and service have been determined using years and months as of the valuation date.

	July 1, 2023	July 1, 2024
Active Participants		
Number	3,745	3,963
Average Age	46.3	45.6
Average Service	9.6	9.0
Covered Payroll	$ 216,632,068	$ 259,557,823
Average Payroll	$ 57,846	$ 65,495
Projected Payroll	$ 223,131,030	$ 267,344,558
Inactives With Deferred Benefits		
Number[1]	297	297
Average Current Age	47.3	48.0
Average Monthly Benefit[2]	$ 757	$ 715
Inactives Receiving Payment		
Number	3,993	4,011
Average Current Age	71.7	72.0
Average Monthly Benefit	$ 2,906	$ 2,997
Total Participants		
Number	8,035	8,271

[1] Excludes 1,600 inactives only due a refund of employee contributions as of July 1, 2023 and 1,741 as of July 1, 2024.
[2] Before adjustment for assumed retirement age and payment form.

Asset Allocation

Asset Allocation

The long-term expected rate of return on Pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Pension plan's target asset allocation as of June 30, 2024 are summarized in the following table[1]:

Asset Class	Expected Nominal Rate of Return	Expected Real Rate of Return	Allocation
Large Cap U.S. Equity	6.70%	4.35%	28.00%
Small Cap U.S. Equity	7.20%	4.84%	15.00%
International (Non-U.S.) Equity (Developed)	6.60%	4.25%	13.00%
Emerging Markets Equity	6.90%	4.55%	5.00%
Core U.S. Fixed Income (Market Duration)	4.80%	2.49%	20.00%
Non-US Developed Bond (0% Hedged)	4.00%	1.71%	10.00%
U.S. REITs	6.60%	4.25%	3.00%
Private Equity	9.40%	6.99%	6.00%
Total Portfolio	6.91%	4.56%	100.00%

The discount rate used to measure the total Pension liability is 7.00 percent. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on these assumptions, the Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on Pension Plan investments was applied to all periods of projected benefit payments to determine the total Pension liability.

[1] These rates of return reflect Aon's capital market expectations as of June 30, 2024. The 7.00 percent rate prescribed by City of Atlanta is reasonable.

Actuarial Assumptions and Methods

Actuarial Assumptions and Methods

Expected Return on Assets	7.00%, the investment return rate is assumed to be net of investment expenses. The net investment return assumption was chosen by the Pension Fund's Board of Trustees, with input from the actuary. This assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Marquette and Segal Marco Advisors, as well as the Fund's target asset allocation.
Administrative Expenses	$1,200,000 per year beginning in 2017, projected annually with 2.25% inflation. For fiscal 2025 – 2026, the assumed annual expense is $1,402,246.
Salary Increases	See Table 1.
General Inflation	2.25%
Vacation and Sick Leave Pay Adjustment	
Hired Prior to September 1, 2011	Retirement benefits are increased by 5.00% to reflect vacation pay.
Hired After August 31, 2011	Retirement benefits are increased by 1.50% to reflect vacation pay.
Payroll Growth	3.00%, used to amortize the unfunded actuarial accrued liability as a level percentage of payroll.
Cost-of-Living Adjustments	
Hired Prior to September 1, 2011	2.25%, compounded annually after retirement.
Hired After August 31, 2011	2.00%, compounded annually after retirement.

Mortality Rates	**Pre-Retirement:** Sex-distinct Pri-2012 Blue Collar Employee Amount-weighted Mortality Table with rates increased by 15%, projected generationally with scale MP-2020. **Healthy Annuitants and Beneficiaries of Living Retirees:** Sex-distinct Pri-2012 Blue Collar Healthy Retiree Amount-weighted Mortality Table with rates increased by 15%, projected generationally with scale MP-2020. **Disabled Annuitants:** Sex-distinct Pri-2012 Disabled Retiree Amount-weighted Mortality Table with rates increased by 15%, projected generationally with scale MP-2020. **Contingent Survivors:** Sex-distinct Pri-2012 Blue Collar Healthy Contingent Survivor Amount-weighted Mortality Table with rates increased by 15%, projected generationally with scale MP-2020. The underlying tables with the generational projection to the ages of participants as of the measurement date reasonably reflect the mortality experience of the Fund as of the measurement date. These mortality tables were then adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.
Retirement Age for Active Employees	See Table 2.
Retirement Rates for Inactive Vested Participants	Age 60 or current age, if later.
Withdrawal Rates	See Table 3.
Disability Rates	See Table 4.
Unknown Data for Participants	There were no records that were missing both service amounts and dates of hire. For participants with less than one year of benefit service, salaries were annualized.
Additional Accumulated Unused Sick Leave at Retirement	
Hired prior to September 1, 2011	Additional 0.25 years of service included in total service for retirement benefits (prior to application of maximum).
Hired after August 31, 2011	Additional 0.25 years of service included in total service for retirement benefits (prior to application of maximum).

Percent Married	
Hired prior to September 1, 2011	Assumption based on active participant contribution rate provided with valuation data.
Hired after August 31, 2011	Assume all participants are not married (Benefits for married participants are actuarially equivalent to the single life annuity).
Form of Payment	
Married Participants Hired Prior to September 1, 2011	75% joint and survivor annuity.
Unmarried Participants Hired Prior to September 1, 2011	Life Annuity.
All Participants Hired After August 31, 2011	Life annuity.
Age of Spouse	
Male Participants	Assumed to be three years older than their female spouses.
Female Participants	Assumed to be two years younger than their male spouses.
Refunds of Employee Contributions for Terminated Vested Participants	
Hired Prior to September 1, 2011	60% of participants elect a refund of their employee contribution balances.
Hired After August 31, 2011	100% of participants elect a refund of their employee contribution balances.
Actuarial Value of Assets	Market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the expected return on the actuarial value, and is recognized over a five-year period, further adjusted, if necessary, to be within 20% of the market value.
Actuarial Cost Method	Entry Age Normal Method. Entry Age is current age minus years of service.
Census Data	As of July 1, 2024.

Changes in Funding Methods/Assumptions Since the Prior Year

Method Changes

There have been no method changes in the funding valuation since the prior year.

Assumption Changes

The funding valuation reflects the following assumption changes:

- A change in the cost of living adjustment for employees hired after August 31, 2011 from 1.00 percent to 2.00 percent to align with the updated benefit provisions taking effect January 1, 2025.
- A change in the additional accumulated unused sick leave at retirement for employees hired after August 31, 2011 from 0 to 0.25 years, to align with the updated benefit provisions taking effect January 1, 2025.

Rationale for Assumptions

For each economic and demographic assumption that has a significant effect on the measurement, and that the actuary has determined does not significantly conflict with what, in the actuary's professional judgment, is reasonable for the purpose of the measurement, the information and analysis used to support this determination are described in more detail in the document entitled Review of Actuarial Experience for the five-year period ended June 30, 2019 dated March 17, 2021.

Table 1

Salary Increases

Age	Rate
Under 25	10.00%
25 - 29	8.50%
30 – 34	7.50%
35 – 39	6.50%
40 – 44	5.75%
45 – 49	5.00%
50 – 54	4.25%
55 – 59	3.75%
60 – 64	3.25%
65 & Over	3.00%

Salary increases include an assumed inflation rate of 2.25 percent and 0.75 percent productivity.

Table 2

Retirement Rates for Active Employees

Age	Rates for Less than 30 Years of Service at Retirement	Rates for 30 or More Years of Service at Retirement
50-52	2.00%	60.00%
53	3.00%	60.00%
54	3.00%	45.00%
55	5.00%	45.00%
56-57	6.00%	45.00%
58-59	7.00%	40.00%
60	20.00%	35.00%
61	15.00%	35.00%
62-64	10.00%	20.00%
65-67	20.00%	20.00%
68	15.00%	20.00%
69	25.00%	20.00%
70	100.00%	100.00%

Table 3

Withdrawal Rates

Years of Service	Rate[1]
Less than 1	11.00%
1	10.50%
2	10.00%
3	9.00%
4	7.00%
5	6.50%
6	6.00%
7	5.50%
8	5.00%
9	4.50%
10	4.00%
11	3.50%
12	3.00%
13	2.50%
14	2.00%
15 or more	1.50%

[1] Withdrawal rates do not apply at or beyond the earlier of eligibility for early retirement or age 55.

Table 4

Disability Rates

Age	Male	Female
20	0.00%	0.00%
25	0.00%	0.00%
30	0.00%	0.00%
35	0.07%	0.07%
40	0.10%	0.10%
45	0.15%	0.15%
50	0.26%	0.23%
55	0.45%	0.38%
60	0.68%	0.47%

Summary of Plan Provisions

Summary of Plan Provisions

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year — July 1 through June 30

Normal Retirement

Eligibility — A participant may retire at:

Hired before July 1, 2010:

(a) Age 60 after completing 10 years of service, or

(b) Age 65 after completing 5 years of service, or

(c) Any age after completing 30 years of service

Hired between July 1, 2010 and August 31, 2011

(a) Age 60 after completing 15 years of service, or

(b) Age 60 after completing 5 years of service (vested percentage applies), or

(c) Any age after completing 30 years of service.

Hired after August 31, 2011:

(a) Age 62 after completing 15 years of service, or

(b) Age 62 after completing 5 years of service (vested percentage applies), or

(c) Any age after completing 30 years of service.

Benefit

Hired before July 1, 2010 — 2.5% of average monthly salary for each year of service.

Hired between July 1, 2010 and August 31, 2011 — 2.0% of average monthly salary for each year of service.

Hired after August 31, 2011 — Prior to January 1, 2025: 1.0% of average monthly salary for each year of service. Effective January 1, 2025, benefit based on tiered formula:

1.0% for years prior to January 1, 2025, plus

1.6% for years after January 1, 2025 to get to 10 years, plus

2.0% for years between 10 and 20 total years, plus

2.4% for each year above 20 years.

This amount cannot be less than $12 per month for each year of service, capped at 80% of average monthly salary.

Participants hired before September 1, 2011 had a one-time option to elect to have benefits earned for service after October 31, 2011 use the same 1% accrual rate, average monthly salary, and COLA as participants hired after August 31, 2011. Benefits for service earned prior to November 1, 2011 follow the plan provisions in their predecessor plan. The participants who made this election are referred to as Hybrid Participants.

Average Earnings

Hired before September 1, 2011	Average of the highest consecutive 36 months of salary.
Hired after August 31, 2011	Prior to January 1, 2025, Average of the highest consecutive 120 months of salary. Effective January 1, 2025, average of the highest consecutive 60 months of salary.

Normal Form of Payment

Hired prior to September 1, 2011	75% Joint-and-Survivor (no reduction in benefit for providing survivor coverage).
Hired after August 31, 2011	Single life annuity.

Early Retirement

Eligibility Requirement

Hired before July 1, 2010	10 years credited service or age 60 with five years.
Hired between July 1, 2010 And August 31, 2011	15 years of service or Age 60 with five years.
Hired after August 31, 2011	Age 52 and 15 years of service, or Age 62 and 5 years of service. For Hybrid Participants, early retirement eligibility and reductions under their predecessor plan apply to their entire benefit.

Monthly Benefit

Hired before September 1, 2011	Normal pension monthly amount reduced by ½ of 1% per month for the first 60 months and by ¼ of 1% per month for the remaining months by which age at retirement is less than 60. More favorable early retirement adjustments may apply to participants in prior plans.

Hired after August 31, 2011	Normal pension monthly amount reduced by ½ of 1% per month before age 62.

Disability

Service Requirement	5 years of service for non-job-related disability. None for job related disability.
Monthly Benefit Payable Until Normal Retirement	
Hired before September 1, 2011	Greater of 50% of highest consecutive 36 months of salary at disability and benefit calculated as 2.50% times service accrued times average of the highest consecutive 36 months of salary at disability; benefit payable immediately.
Hired after August 31, 2011	Greater of 50% of highest consecutive 36 months of salary at disability and benefit calculated as 2.00% times service accrued times average of the highest consecutive 36 months of salary at disability; benefit payable immediately.

Recalculated Monthly Benefit Payable at Normal Retirement for Surviving Disabled Participants

Hired before July 1, 2010	2.50% times service (accrued at disability plus imputed through Normal Retirement) times average of the highest consecutive 36 months of salary; benefit payable at age 60.
Hired between July 1, 2010 and August 31, 2011	2.00% times service (accrued at disability plus imputed through Normal Retirement) times average of the highest consecutive 36 months of salary; benefit payable at age 60.
Hired after August 31, 2011	Prior to January 1, 2025: 1.00% times service (accrued at disability plus imputed through Normal Retirement) times average of the highest consecutive 120 months of salary times vested percentage; benefit payable at age 62. Effective January 1, 2025: new tiered benefit formula based on service accrued at disability plus imputed through Normal Retirement.
All participants	Benefit amount at Normal Retirement can be less than what participant was receiving during period of disability. Benefit amount at Normal Retirement cannot exceed 80% of final average salary.

Vesting

Prior to January 1, 2025: An employee who terminates employment may receive a percentage of the accrued benefit payable at normal retirement as determined below:

Completed Years of Service	Vesting Percentage for Participants Hired before July 1, 2010 (%)[1]	Vesting Percentage for Participants Hired after June 30, 2010 (%)
Less than 5	0	0
5	25	25
6	30	30
7	35	35
8	40	40
9	45	45
10	100	50
11	100	55
12	100	60
13	100	65
14	100	70
15 or more	100	100

Effective January 1, 2025, all employees are subject to the same vesting table that previously only applied to participants hired before July 1, 2010.

Termination

A participant terminating employment may elect a refund of their own contributions with interest or leave contributions in the fund and receive a monthly benefit to commence at normal retirement date equal to the accrued benefit as of the date of termination. A refund will cause the forfeiture of any other vested accrued benefit from the Fund.

Pre-retirement Death Benefits

Hired before September 1, 2011

75% of 2.50% times service accrued times vested percentage times average of the highest consecutive 36 months of salary at death.

Hired after August 31, 2011

75% of 2.00% times service accrued times vested percentage times average of the highest consecutive 36 months of salary at death.

[1] A participant is always 100 percent vested in their contributions to the Fund. Hybrid participants are subject to the vesting schedule in their predecessor plan.

All Participants	Benefit prior to application of 75% cannot exceed 80% of final average salary. Eligible beneficiaries are the spouse or children under age 23 (18 if not in post-secondary school). Beneficiaries can elect to receive a refund of employee contributions in lieu of an annuity benefit.
Death Benefits after Retirement Eligibility	If an active participant who is eligible to retire, or a disabled or retired participant dies, 75% of the accrued pension benefit is payable to the beneficiary. Eligible beneficiaries are the spouse or unmarried children under 23 (18 if not in post-secondary school).
Credited Service	Service is credited for employment as a general employee of the City of Atlanta. Additional credit is granted for accumulated sick leave if hired prior to September 1, 2011 and for other prior service as specified in the plan.
Participation	All employees of the City of Atlanta, excluding temporary employees, firefighters, police officers and employees hired after 2001 in job grades 19 and above. Also includes employees hired between 2001 and 2005 in any job grade who elected to transfer from the Defined Contribution plan to this Fund and who agreed to roll over their DC plan balances to this Fund and pay additional contributions as if they had been participants in this Fund from date of hire.
Employee Contributions	See below table:

Employee	% of Base Salary for Participants Hired before September 1, 2011*	% of Base Salary for Hybrid Participants and Participants Hired after August 31, 2011[1]
Unmarried employees without beneficiaries	12%	Prior to January 1, 2025: 8% Effective January 1, 2015: 11.75%
Married employees and unmarried employees with beneficiaries	13%	Prior to January 1, 2025: 8% Effective January 1, 2015: 11.75%

Interest on Employee Contributions	Employee contributions earn 5% interest each year.
Cost-of-Living Provision (COLAs)	Benefits for retirees and beneficiaries are adjusted annually on January 1 of each year based on the change in the Consumer Price Index from November 1 through October 31 of the preceding year.
Hired before September 1, 2011	Such annual adjustment cannot exceed 3%; also applied to Hybrid Participants' benefits for service prior to November 1, 2011.
Hired after August 31, 2011	Prior to January 1, 2025: Such annual adjustment cannot exceed 1%; also applied to Hybrid Participants' benefits for service after October 31, 2011. Effective January 1, 2025: Such annual adjustment cannot exceed 2%; also applied to Hybrid Participants' benefits for service after October 31, 2011.

Changes in Plan Provisions

The valuation reflects the following changes in the plan provisions which first became effective January 1, 2025 for employees hired after August 31, 2011 and hybrid benefits accrued under that formula:

- A change in the retirement benefit accrual rates from 1 percent for all years of service to a tiered formula ranging from 1.6 percent to 2.4 percent for each year of service worked after January 1, 2025.
- A change in the highest average compensation from being based on the highest consecutive 120 months of salary to the highest consecutive 60 months of salary.
- A change in the vesting schedule to provide fully vested benefits after 10 years.
- A change in the cost-of-living adjustment limit from 1 percent to 2 percent.