COUNTY DEPARTMENT AGENDA REQUEST

Department:	Administration	Presenter(s):	County Administrator Steve Rapson
Meeting Date:	May 9, 2013	Type of Request:	Consent

Wording for the Agenda:

Approval of Defined Benefit Plan Resolution, Adoption Agreement and Policy 424.04.

Background/History/Details:

The following Defined Benefit (DB) Plan amendments are presented for your consideration and approval.

a. Eliminate Pre-Retirement Death Benefit; (Existing & New Employees)
b. Eliminate Disability Benefit; (Existing & New Employees)
c. Retirement Benefit Formula - Reduce Benefit Multiplier; (New Employees)
d. Retirement Benefit Formula - Increase Normal Retirement Age; (New Employees)
e. Retirement Benefit Formula - Increase Average Annual Compensation; (New Employees)
f. Retirement Benefit Formula - Increase Vesting Period revisions. (New Employees)
g. DB Policy 424.04 establishing the Employee DB/DC Election Option and DB/DC Plan contribution. (New Employees)
(Attachment 1-Retreat White Paper; Attachment 2-PowerPoint Presentation)

The Defined Benefit Plan Resolution, Adoption agreement and Policy 424.04 are presented for your formal consideration and approval.

What action are you seeking from the Board of Commissioners?

Approval of Defined Benefit Plan Resolution, Adoption Agreement, and Policy 424.04 as outlined.

If this item requires funding, please describe:

Not Applicable.

Has this issue come before the Commissioners in the past?	Yes	If so, when?	April 5, 2013 BOC Retreat
Do you need audio-visual for the presentation?	No	Back-up Material Submitted?	No

STAFF USE ONLY

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

Staff Notes:

PURPOSE

It is the purpose of the Benefit Plan to help provide County employees with a current, competitive, and comprehensive compensation package by supplementing the county pay plan and thereby broadening the compensation base of County employees.

The plan shall be uniformly administered in accordance with the applicable provisions of these Rules and Regulations which shall govern all matters relative to the benefits to be received by covered County employees.

All actions within the realm of the benefit plan are subject to availability of funds and shall be appropriately modified and controlled in this regard by the County Commission.

Changes in some of the benefit plan may, as appropriate, be recommended-and approved with the Human Resources Director and County Administrator approval. Upon adoption and effectuation, the benefit plan shall constitute the official benefit compensation for positions under the System. Benefits are a privilege of employment and can be changed or revoked at any time.

As a result of employment with Fayette County, an employee who meets the eligibly requirements shall be eligible for all applicable benefits.

Benefits are personal to the employee and cannot be assigned to other employees.

POLICY

There shall be a consistent and uniform process for a County employee to participate in the Defined Benefit Plan.

PROCEDURE

Defined Benefit (401a)

Fayette County maximum contribution towards this plan will be 3.8% of approved payroll. Employee's mandatory contributions would be increased to absorb increases required above the County 3.8% fixed contribution over time.

Eligibility

Benefits are available to all regular full-time employees who make the one-time irrevocable election to participate in the Defined Benefit Plan.

ATTACHMENT 1

Defined Benefit Plan Proposal

Background

Fayette County offers a DB (Defined Benefit) Plan administered by the ACCG (Association County Commissioners of Georgia) which has provided retirement plan services to jurisdictions throughout Georgia since 1968. GEBCorp (Government Employee Benefits Corporation of Georgia) administers the Defined Benefit Plan and is a wholly owned subsidiary of ACCG. GEBCorp was created for three primary reasons:

1. Provide local, personal service to the ACCG 457 Deferred Compensation Program and 401(a) Defined Contribution Program by finding or creating an alternative to the existing programs;
2. Strengthen ACCG's control over the type and quality of service, required from its members and their employees, for the 457, 401(a) and defined benefit programs; and
3. Integrate the service and administration of all types of plans to the maximum extent possible.

The ACCG Board of Managers appoints a Board of Directors that manages GEBCorp with an eye toward increasing efficiency, competitiveness and service to Georgia's counties, county employees, and other public entities.

Defined Benefit Plan: A defined benefit plan provides a fixed monthly benefit at retirement, payable over your lifetime. In addition, you may elect an optional form of benefit payment that will pay a monthly benefit to your beneficiary after your death. Your monthly benefit is based on compensation, years of service, your employer's benefit formula and the benefit option you select at retirement. Since this is a guaranteed benefit, you are not responsible for the investment risk. This type of plan provides participants with a secure source of retirement income, is a significant benefit to career employees and allows employers to provide a targeted level of retirement income. Full time employees employed for at least one year are eligible to participate and become vested after five years of service to receive monthly benefits once retired.

The retirement plan is designed to supplement the employee's Social Security benefits and their personal savings (including the County's defined contribution plans) by providing additional income at retirement. Fayette County's employee participation is a mandatory contributory plan where the employee and County pay a share of the cost of the retirement plan. The County has no fiduciary responsibility for the plan. Annual actuarial reviews are performed and funding requirements are adjusted as needed based upon directions received from the GEBCorp.

As of January 1, 2013, the date of the most recent actuarial valuation, Fayette County has 784 participants consisting of the following: 42 retirees and beneficiaries currently receiving benefits; 69 vested terminated employees not yet receiving benefits and 673 Active employees. The County is required to contribute amounts necessary to fund the plan. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 7.75% per year, compounded annually and net of investment expenses, (b) projected salary increases of 3.5% - 6.0% based upon age and 3.0% for inflation.

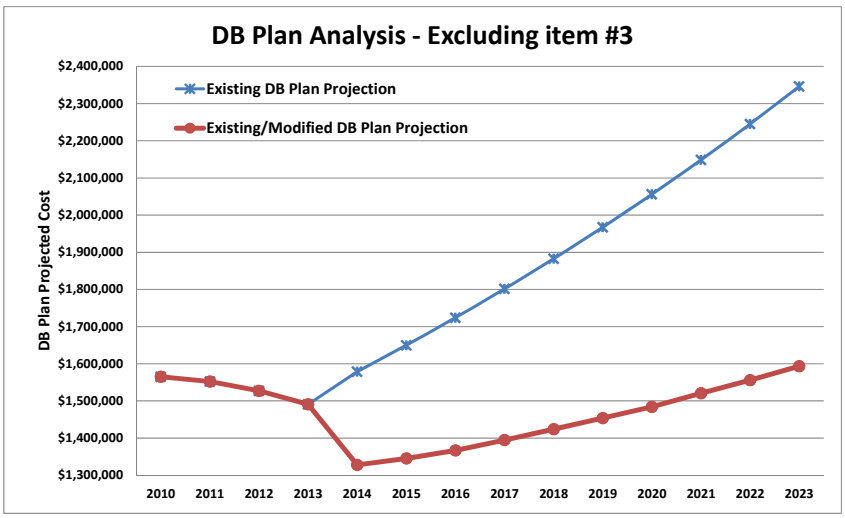
Employees can also elect to contribute to the County's 457 DC (Defined Contribution) Plan up to fifteen thousand dollars per calendar year with the County matching the employee's contribution into a 401(a) plan. Participation in the plan is optional and requires the County to contribute an amount equal to 50% up to the first 5.0% an employee defers, for a maximum county match of 2.5%. Employers' contributions are fully vested after the participant completes five full years of service. Staff has met with ACCG representatives and has requested DB Plan modifications and projected impacts associated with these modifications for your review and approval.

Option #1 - Amendment of Existing Defined Benefit Plan: (Attachment)

1. Death Benefits[1] - Eliminate Pre-Retirement Death Benefits - $102,279
2. Disability Benefits[1] - Eliminate Disability Benefit - $91,823
3. ~~Mandatory employee contribution[2] – Dollar-Dollar Offset – Each 1.0% increase – $27,771~~
4. Retirement Benefit Formula[2] – Reducing Benefit Multiplier 1.50% to 1.25% year/service - $22,217
5. Retirement Benefit Formula[2] - Normal Retirement Age – 65 years to 67 years $18,512
6. Retirement Benefit Formula[2] Average Annual Compensation – 7-year to 10-year average - $11,553
7. Retirement Benefit Formula Increase Vesting Period[2] - 5 years to 10 years - $4,268

[1]*Define Benefit Plan Amendment includes all plan participants, including retirees or beneficiaries already in "pay" status.*

[2]*Define Benefit Plan Amendment impacts only future county employees – no impact to existing workforce.*



Option #1 (excludes #3) These DB Plan Amendments decrease future costs an average of $493,368, or 24.8% a year.

Reducing the actuarial DB Plan assumptions saves $4,933,680 over the next 10 year period.

Option #2 – Hybrid - Freeze DB Plan & Convert to a DC (Defined Contribution) Plan:

This approach freezes the existing retirement defined benefit plan and implements a defined contribution plan in its place for new hires. This follows the “new” trend among private defined benefit plan sponsors of “freezing” pension plans, and continues the well-documented and long-term decline of “traditional” pension plans. Hard-frozen plans represent a 50% increase in the percentage of insured plans that were hard-frozen in just two years. Freezing a plan has only a modest immediate impact because it eliminates future benefit accruals, but the county continues to have an obligation to fund existing and future shortfalls. Freezing a plan does not affect the level of benefits plan participants have accrued at the time of the freeze. Retired participants and separated vested participants will receive all the benefits they were expecting and entitled to under the terms of the plan. This represents a shift from emphasizing income protection in retirement through defined benefit plans to one featuring wealth accumulation through defined contribution plans. This embraces a more mobile workforce who has accepted the portability of DC plan benefits, while resolving employers concerns with liabilities associated with DB plans becoming too large and too volatile.

Keep in mind that freezing the Defined Benefit Plan removes this option as an employment incentive tool that may have a significant impact to public safety recruitment and retention. There is not only financial benefit to the employee but the intangible benefit to the workforce in terms of morale and retention. We must also keep in mind that the county contribution is 3.8% and replacing this retirement option would more than likely require a larger contribution that would have a negative impact to the budget.

FAYETTE COUNTY, GA.
Defined Benefit Plan

Board of Commissioners

May 9, 2013

Defined Benefit Plan
Step #1 DB Plan Proposal

Amendment of Existing Defined Benefit Plan:

1. Death Benefits - Eliminate Pre-Retirement Death Benefits - $102,279
2. Disability Benefits - Eliminate Disability Benefit - $91,823
3. Retirement Benefit Formula – Reducing Benefit Multiplier 1.50% to 1.25% year/service - $22,217
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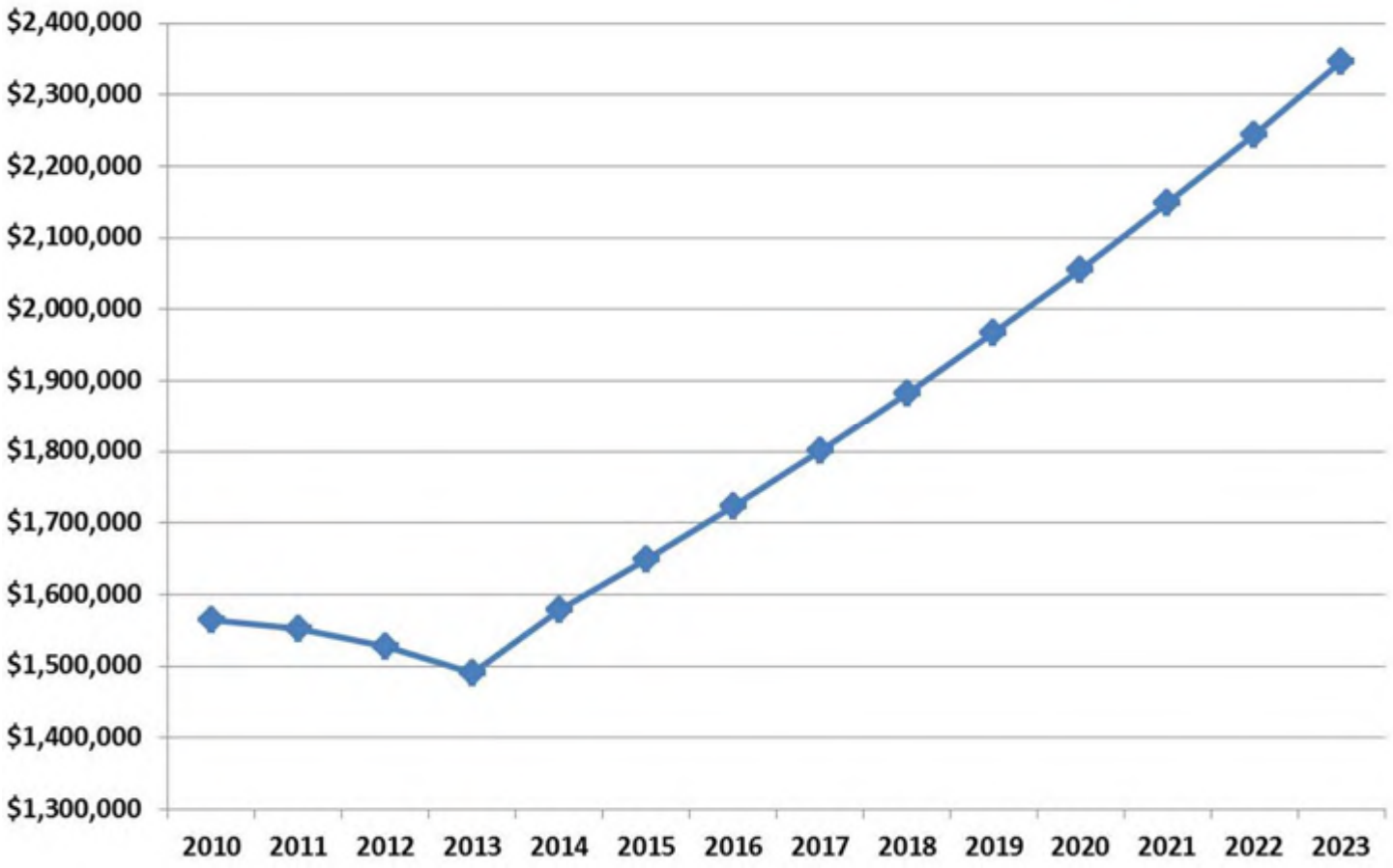
Defined Benefit Plan Amendments Actuarial Impact

Fayette County Defined Benefit Plan

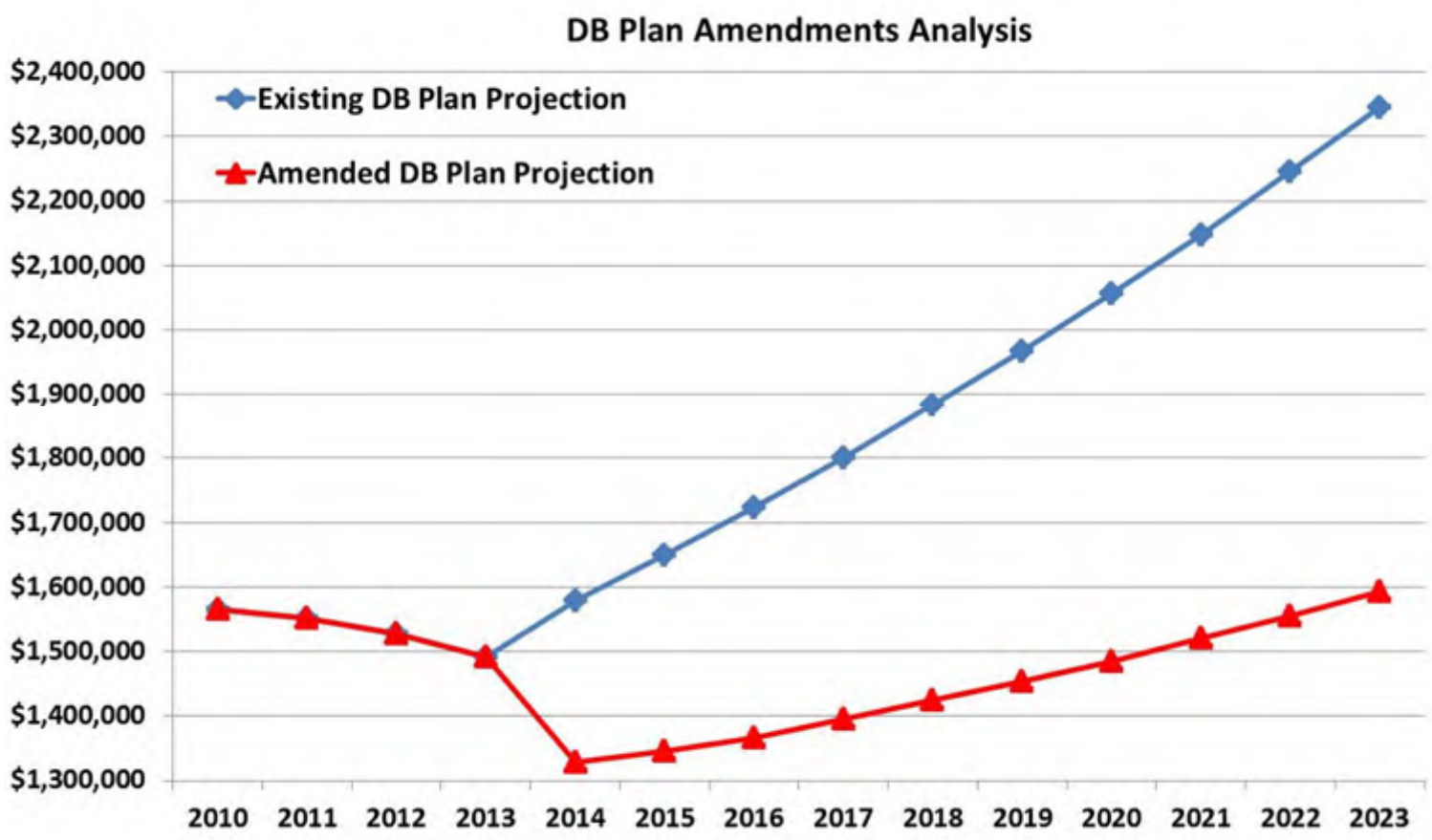
Plan Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Benefit Multiplier: 1.50% to 1.25%	22,217	43,331	64,114	83,643	103,971	125,443	148,403	170,453	194,586	219,565
Retirement Age: 65 to 67	18,512	36,105	53,423	69,696	86,634	104,525	123,657	142,030	162,138	182,952
Avg Comp - High 7 Yr - 10 Yr.	11,553	22,532	33,339	43,494	54,065	65,230	77,169	88,635	101,184	114,174
Vesting - 5 Yrs to 10 Yrs	4,268	8,325	12,318	16,070	19,976	24,101	28,512	32,748	37,385	42,184
Subtotal	**$56,550**	**$110,293**	**$163,194**	**$212,903**	**$264,646**	**$319,300**	**$377,740**	**$433,866**	**$495,293**	**$558,875**
Disability Benefit	$91,823	$91,823	$91,823	$91,823	$91,823	$91,823	$91,823	$91,823	$91,823	$91,823
Pre-Retirement Death Benefit	$102,279	$102,279	$102,279	$102,279	$102,279	$102,279	$102,279	$102,279	$102,279	$102,279
Subtotal	**$194,102**	**$194,102**	**$194,102**	**$194,102**	**$194,102**	**$194,102**	**$194,102**	**$194,102**	**$194,102**	**$194,102**
Grand Total	**$250,652**	**$304,395**	**$357,296**	**$407,005**	**$458,748**	**$513,402**	**$571,842**	**$627,968**	**$689,395**	**$752,977**

Cumlative Impact	**$4,933,680**

Defined Benefit Plan
Actuarial Growth Projection



Defined Benefit Plan
DB Plan Step #1 Impact

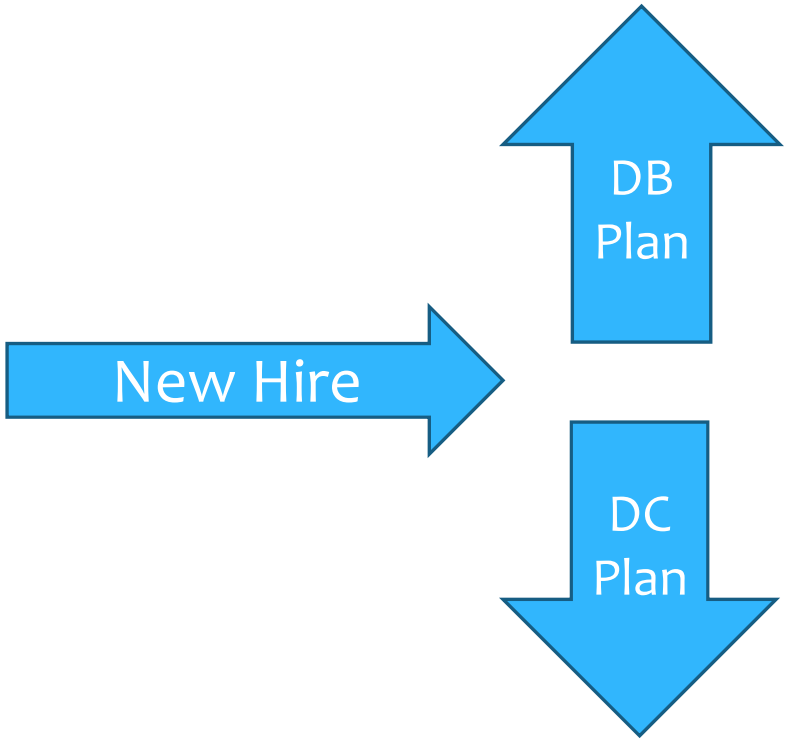


Defined Benefit Plan
Step #2 DB Plan Proposal

Retirement Plan Approach:

1. Employee – makes a one-time irrevocable election into their retirement plan of choice – DB Plan or DC Plan
2. DB Plan:
   1. Mandatory 2.5% employee contribution
   2. Eligibility based upon Step #1 - DB Plan Amendments
   3. Mandatory contribution will increase over time
3. DC Plan:
   1. County contributes 3.8% into DC Plan
   2. County contribution vests to employee over a two-year period

DB Plan Step #2
Employee Selects Type Plan



DB Plan Step #2
Retirement Plan Contributions

Today's Contribution (6.3%)

DB Plan – County contribution is 3.8%

DB Plan – Employee contribution is 2.5%

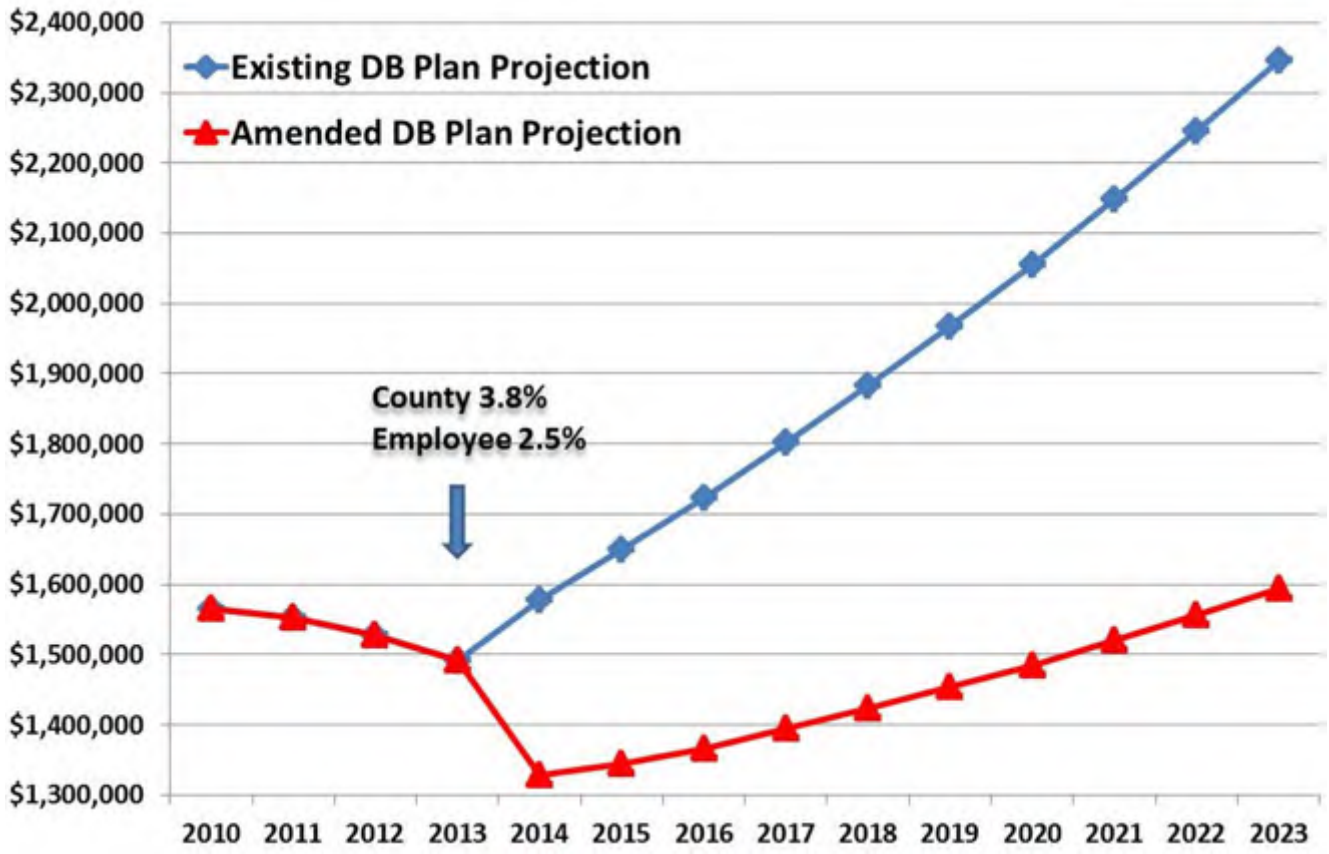
Proposed Contribution (6.3%)

DB Plan – County contribution is 3.8%

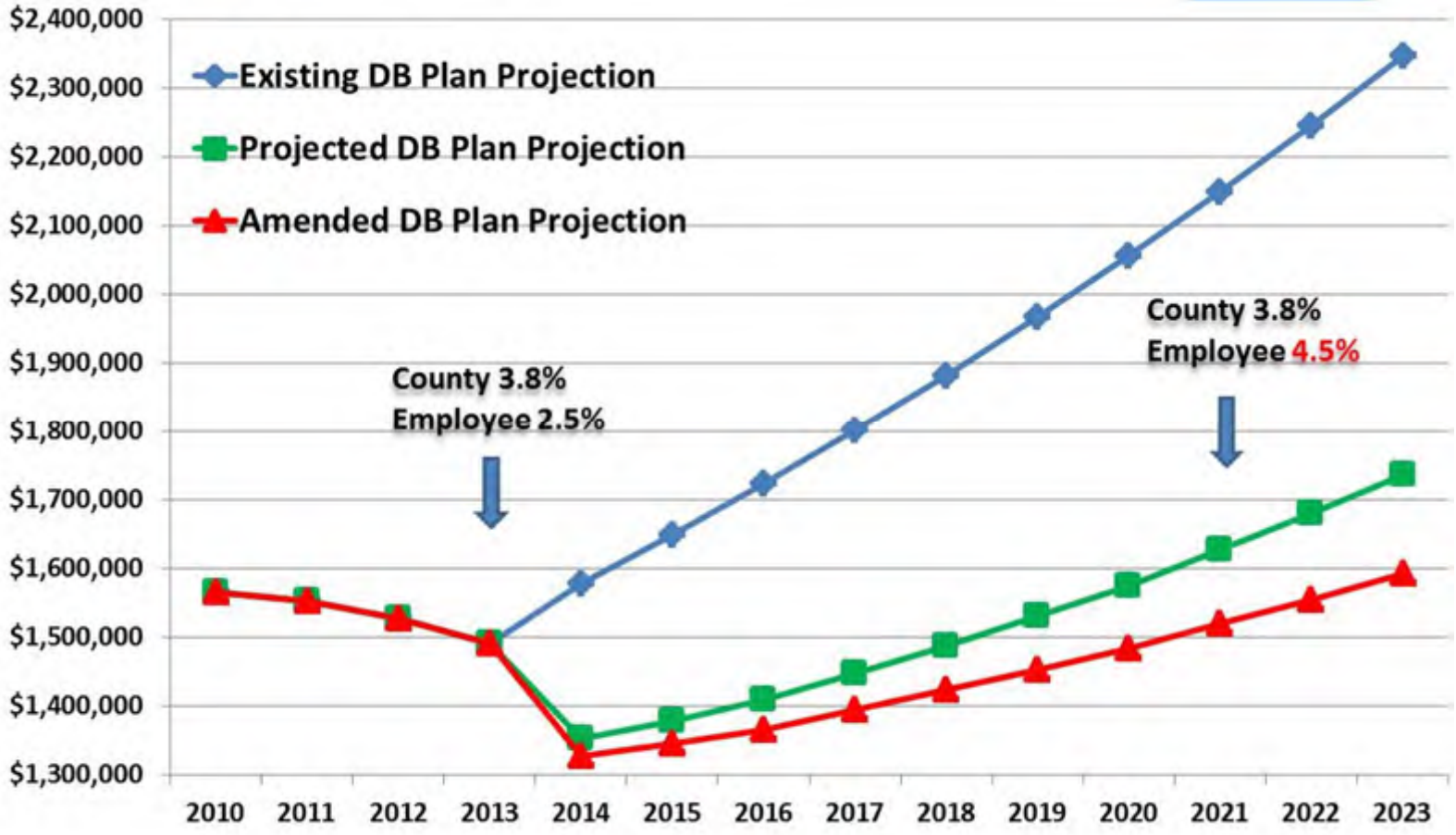
DB Plan – Employee contribution is 2.5%

DC Plan - County contribution is 3.8%

Defined Benefit Plan
DB Plan Existing & Amended



Defined Benefit Plan
Limit DB County Contribution



Fayette County, Georgia

Questions & Answers

RESOLUTION TO AMEND THE ASSOCIATION COUNTY COMMISSIONERS OF GEORGIA DEFINED BENEFIT PLAN FOR FAYETTE COUNTY EMPLOYEES

WHEREAS, the Fayette County Board of Commissioners (the "Employer") previously adopted Association County Commissioners of Georgia Defined Benefit Plan for Fayette County Employees (the "Plan") through an Adoption Agreement, most recently effective July 1, 2009;

WHEREAS, the Employer desires to change certain benefits offered under the Plan effective April 25, 2013.

NOW THEREFORE, BE IT RESOLVED that the Employer hereby approves any necessary amendments to the Plan and to the Adoption Agreement effective April 25, 2013, as follows:

a. Eliminating the Disability Pension available under the Plan for Participants with a Disability Date on or after April 25, 2013.

b. Eliminating the Disability Death Benefit available under the Plan.

c. Eliminating the Pre-Retirement Death Benefit available under the Plan.

d. Eligible Employees with an Employment Commencement Date or Reemployment Commencement Date on or after April 25, 2013 shall be eligible for Normal or Late Retirement upon the later of attaining age sixty-seven (67) or completing five (5) years of Vesting Service.

e. Eligible Employees with an Employment Commencement Date or Reemployment Commencement Date on or after April 25, 2013, shall have a Normal Retirement Benefit in the amount of one and one-quarter percent (1.25%) of his or her annualized Average Monthly Compensation multiplied by years of Credited Service.

f. Eligible Employees with an Employment Commencement Date or Reemployment Commencement Date on or after April 25, 2013, shall be zero percent (0%) vested in benefits accrued on and after April 25, 2013, until such time as they complete ten (10) years of Vesting Service, at which time they shall become one-hundred percent (100%) vested.

g. For Eligible Employees with an Employment Commencement Date or Reemployment Commencement Date on or after April 25, 2013, Average Monthly Compensation shall mean the arithmetic monthly average of Compensation paid to a Participant by the Employer for eighty-four (84) consecutive months of Credited Service immediately preceding the Participant's most recent Termination of Employment. The maximum number of most recent consecutive months to consider for the calculation shall be one hundred twenty (120).

BE IT FURTHER RESOLVED that the Chair of the Board of Commissioners of Fayette County, Georgia is hereby authorized, empowered, and directed to take all further actions and to execute all documents necessary, including any amendments to the Plan or the Adoption Agreement, to implement these resolutions.

BE IT FURTHER RESOLVED that any resolution in conflict with this resolution is hereby repealed.

This _____ day of _____, 2013

FAYETTE COUNTY BOARD OF COMMISSIONERS

By: _____

Date: _____

Attest:

_____
County Clerk

ADOPTION AGREEMENT AMENDMENT #3
TO ASSOCIATION COUNTY COMMISSIONERS OF GEORGIA
DEFINED BENEFIT PLAN
FOR FAYETTE COUNTY EMPLOYEES

THIS AMENDMENT is made and entered into by Fayette County Board of Commissioners (the "Employer).

W I T N E S S E T H:

WHEREAS, the Employer maintains the Association County Commissioners of Georgia Defined Benefit Plan (the "Plan") for Fayette County Employees for the benefit of its eligible employees; and

WHEREAS, the Employer adopted the Plan through an Adoption Agreement, most recently effective July 1, 2009;

WHEREAS, the Employer has approved certain Plan changes effective April 25, 2013;

WHEREAS, Section 16.02 of the Plan allows the Employer to amend the elective provisions of the Adoption Agreement.

NOW, THEREFORE, the Adoption Agreement is hereby amended as follows:

1. The Adoption Agreement Addendum, is amended by adding additional Employee Classes as follows:

   Class 4: Eligible Employees post-4/25/13
   Eligible Employees with an Employment Commencement Date or Reemployment Commencement Date on or after April 25, 2013.

   Amendment Effective Date: April 25, 2013

2. Section 1.08, Average Monthly Compensation, is deleted in its entirety and replaced with the following language:

   1.08 AVERAGE MONTHLY COMPENSATION.

   [X] Number of consecutive months to use in the calculation: **eighty-four (84)**

   [X] Maximum number of most recent consecutive months to consider for the calculation: **one hundred twenty (120)** (not less than number above)

   Amendment Effective Date: April 25, 2013
   Applicable Employees as defined
   in the Adoption Agreement Addendum: Class 4

3. Section 5.02, Eligibility for Normal or Late Retirement, is deleted in its entirety and replaced with the following language:

5.02 <u>ELIGIBILITY FOR NORMAL OR LATE RETIREMENT PENSION.</u>

[--] The date the Participant attains **_____ (____)** years of age.

[X] The later of the date:

[X] The Participant attains **sixty-seven (67)** years of age

[X] The Participant completes **five (5)** years of Vesting Service

[--] The earlier of date determined above and the later of the date:

[--] The Participant attains **_____ (____)** years of age

[--] The Participant completes **_____ (____)** years of Vesting Service

[--] Other date (specify) (no later than age 65):

Amendment Effective Date: April 25, 2013
Applicable Employees as defined
in the Adoption Agreement Addendum: Class 4

4. Section 5.03, Amount of Normal or Late Retirement Pension, is deleted in its entirety and replaced with the following language:

5.03 <u>AMOUNT OF NORMAL OR LATE RETIREMENT PENSION.</u>

A Participant's Normal or Late Retirement Pension shall be calculated using the following Pension Benefit Formula(s):

[X] <u>Single tiered Formula</u>

One and one-quarter percent **(1.25%)** of a Participant's annualized Average Monthly Compensation multiplied by years of Credited Service

[--] <u>Multi tiered Formula</u>

_____ percent (_____%) of a Participant's annualized Average Monthly Compensation up to and including _____ multiplied by years of Credited Service, plus

_____ percent (_____%) of a Participant's annualized Average Monthly Compensation above _____ multiplied by years of Credited Service

[--] <u>Fixed Dollar Amount</u>

A fixed dollar amount of **$_____** multiplied by years of Credited Service.

[--] <u>Percentage of annualized Average Monthly Compensation</u>

_____ percent **(____%)** of annualized Average Monthly Compensation multiplied by the ratio of years of Credited Service to the total of: (1) the years of Credited Service plus (2) the years remaining until the Participant's Normal Retirement Date. The multiplier shall not be less than zero (0) nor greater than one (1).

All formulas specified in this Section shall be added together to determine the Normal or Late Pension benefit.

Amendment Effective Date: April 25, 2013
Applicable Employees as defined
in the Adoption Agreement Addendum: Class 4

5. Section 8.05, Vesting Schedule, is deleted in its entirety and replaced with the following language:

8.05 <u>VESTING SCHEDULE.</u>

The Employer elects the following vesting schedule:

[--]	Immediately upon Plan Entry Date	100% Vested in Accrued Benefits
[X]	Full Years of Vesting Service With the Employer	Percent Vested in Accrued Benefit
	Less than **ten (10)** years	0%
	Ten (10) years or more	100%

[--]	Full Years of Vesting Service With the Employer	Percent Vested in Accrued Benefit
	_____ years	_____**%**
	_____ years	_____**%**
	_____ years	_____**%**
	_____ years	_____**%**
	_____ years	_____**%**
	_____ years	_____**%**

Amendment Effective Date: April 25, 2013
Applicable Employees as defined
in the Adoption Agreement Addendum: Class 4

6. Section 7.01, Offering of Disability Pension, is deleted in its entirety and replaced with the following language:

7.01 <u>OFFERING OF DISABILITY PENSION.</u>

[X] The Plan does not offer a Disability Pension

[--] The Plan offers a Disability Pension

Amendment Effective Date: April 25, 2013
Applicable Employees as defined
in the Adoption Agreement Addendum: Class 1, Class 2, and Class 4

7. Section 7.02, Eligibility for Disability Pension, is deleted in its entirety and replaced with the following language:

7.02 <u>ELIGIBILITY FOR DISABILITY PENSION.</u>

The later of the date:

[--] The Participant attains **_____ (____)** years of age

[--] The Participant completes **_____ (____)** years of Vesting Service

Eligibility shall be determined as of the date the Participant becomes Disabled as specified in Section 1.16 of this Adoption Agreement.

Amendment Effective Date: April 25, 2013
Applicable Employees as defined
in the Adoption Agreement Addendum: Class 1, Class 2, and Class 4

8. Section 7.03, Amount of Disability Pension, is deleted in its entirety and replaced with the following language:

7.03 <u>AMOUNT OF DISABILITY PENSION.</u>

[--] **_____** percent **(____%)** of his Normal Retirement Pension adjusted to reflect the Participant's annualized Average Monthly Compensation and Credited Service as of the date of Disability.

[--] **_____** percent **(____%)** of his annualized Average Monthly Compensation at the time of Disability.

Amendment Effective Date: April 25, 2013
Applicable Employees as defined
in the Adoption Agreement Addendum: Class 1, Class 2, and Class 4

9. Section 7.04, Computation and Payment of Disability Pension, is deleted in its entirety and replaced with the following language:

7.04 <u>COMPUTATION AND PAYMENT OF DISABILITY PENSION.</u>

Benefit Commencement Date shall be the later of:

[--] The first day of the month coinciding with or next following the later of: (1) the date of the first payment associated with the program, plan, or policy elected by the Employer in Section 1.16 of this Adoption Agreement, or (2) the Participant's Termination of Employment Date on or after his Disability Date.

[--] The date the Participant attains **_____ (___)** years of age on or after his Disability Date.

Amendment Effective Date: April 25, 2013
Applicable Employees as defined
in the Adoption Agreement Addendum: Class 1, Class 2, and Class 4

10. Section 9.01, Pre-Retirement Death Benefit, is deleted in its entirety and replaced with the following language:

9.01 PRE-RETIREMENT DEATH BENEFIT.

Offering of Pre-Retirement Death Benefit

[X] Not Offered

[--] Offered

Benefit Type and Amount

[--] Lump Sum Benefit

[--] The amount of the death benefit shall be equal to **_____** percent **(____%)** of the Participant's annualized Average Monthly Compensation as of the end of the Plan Year immediately preceding the date of the Participant's death.

[--] The amount of the death benefit shall be equal to a multiple of **____ (____)** of the estimated monthly amount of the Participant's Normal Retirement Pension.

Maximum Lump Sum Benefit

[--] Subject to a maximum amount of _____ dollars ($____)

[--] Not subject to any maximum dollar amount

[--] Annuity Benefit

The amount of the death benefit, payable monthly to the beneficiary or beneficiaries, shall be equal to _____ percent (____%) of the Participant's Nonforfeitable Accrued Benefit as of the date of the Participant's death.

Permitted Beneficiaries for Annuity Benefit

[--] Spouse Only

[--] Spouse and Minor Children Only

[--] No Limitation

Amendment Effective Date:	April 25, 2013
Applicable Employees as defined in the Adoption Agreement Addendum:	Class 1, Class 2, and Class 4

11. Section 9.05, Disability Death Benefit, is deleted in its entirety and replaced with the following language:

9.05 DISABILITY DEATH BENEFIT.

Offering of Disability Death Benefit

[X] Not Offered

[--] Offered

Benefit Type and Amount

[--] Lump Sum Benefit

The amount of the death benefit shall be equal to a multiple of **_____ (___)** of the Participant's monthly Pension benefit as of the Participant's Benefit Commencement Date subject to the maximum amount specified in Section 9.03 of the Plan.

Amendment Effective Date: April 25, 2013

Applicable Employees as defined in the Adoption Agreement Addendum: Class 1, Class 2, and Class 4

IN WITNESS WHEREOF, the Employer has caused its duly authorized officer to execute this Amendment on the date noted below.

FAYETTE COUNTY BOARD OF COMMISSIONERS

By: _____

Title: _____

Date: _____

Accepted By: _____

ACCG Defined Benefit Plan Board of Trustees

Date: _____

FAYETTE COUNTY, GA.
Defined Benefit Plan

Board of Commissioners

May 9, 2013

Defined Benefit Plan
Step #1 DB Plan Proposal

Amendment of Existing Defined Benefit Plan:

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Defined Benefit Plan Amendments Actuarial Impact

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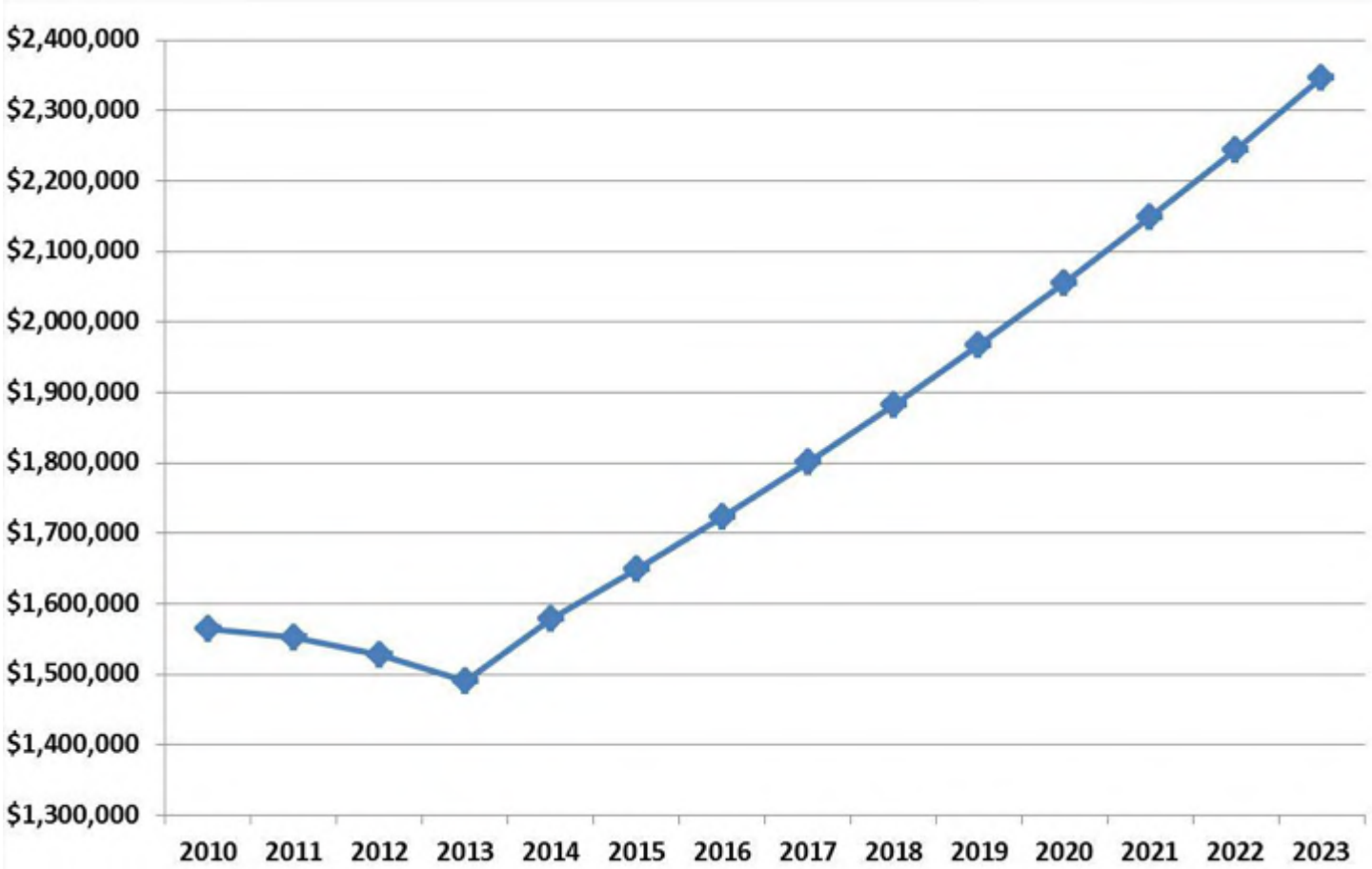
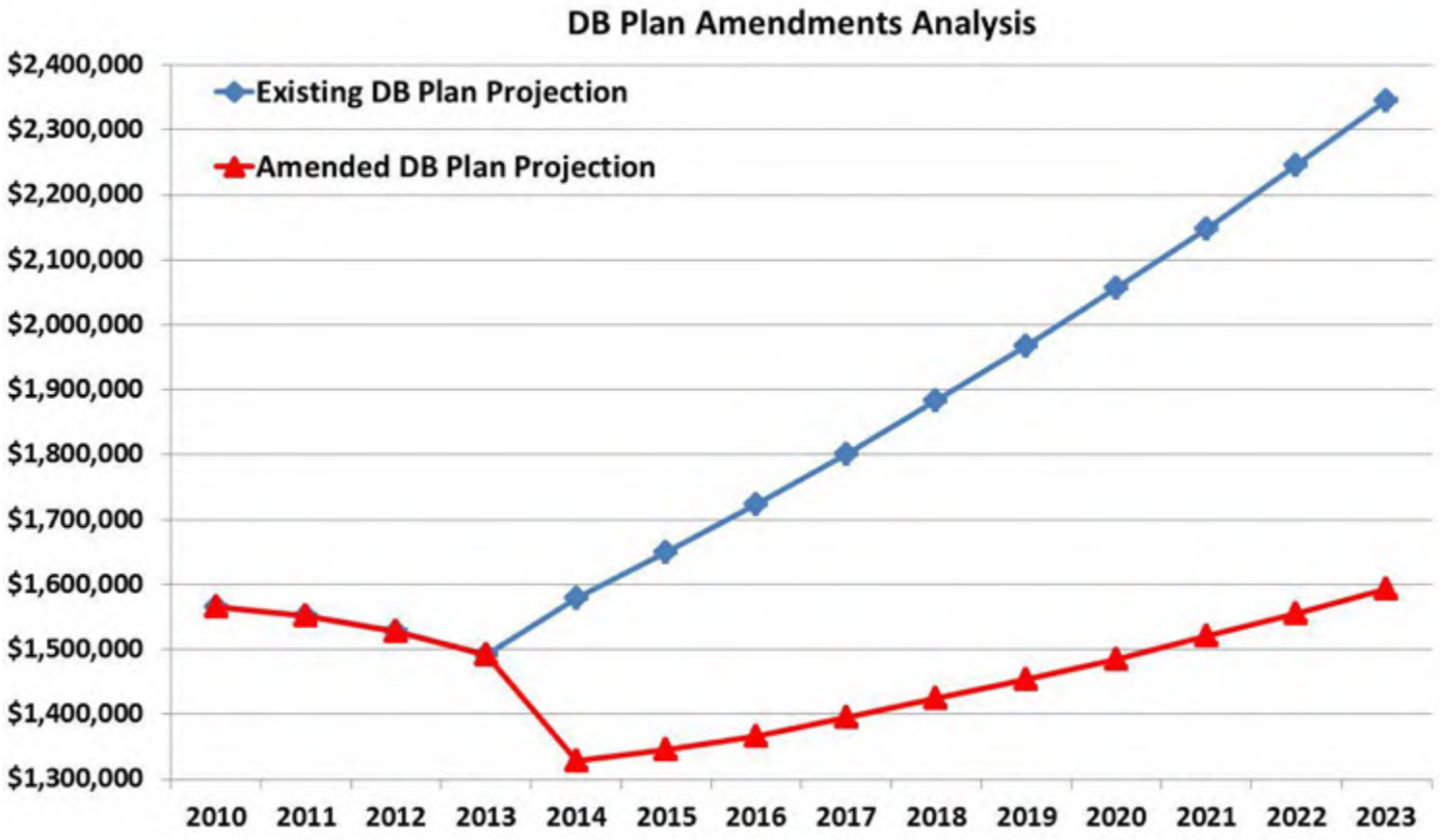
Subtotal	**$56,550**	**$110,293**	**$163,194**	**$212,903**	**$264,646**	**$319,300**	**$377,740**	**$433,866**	**$495,293**	**$558,875**
Disability Benefit	$91,823	$91,823	$91,823	$91,823	$91,823	$91,823	$91,823	$91,823	$91,823	$91,823
Pre-Retirement Death Benefit	$102,279	$102,279	$102,279	$102,279	$102,279	$102,279	$102,279	$102,279	$102,279	$102,279
Subtotal	**$194,102**	**$194,102**	**$194,102**	**$194,102**	**$194,102**	**$194,102**	**$194,102**	**$194,102**	**$194,102**	**$194,102**
Grand Total	**$250,652**	**$304,395**	**$357,296**	**$407,005**	**$458,748**	**$513,402**	**$571,842**	**$627,968**	**$689,395**	**$752,977**

Cumlative Impact	**$4,933,680**

Defined Benefit Plan Actuarial Growth Projection



Defined Benefit Plan
DB Plan Step #1 Impact

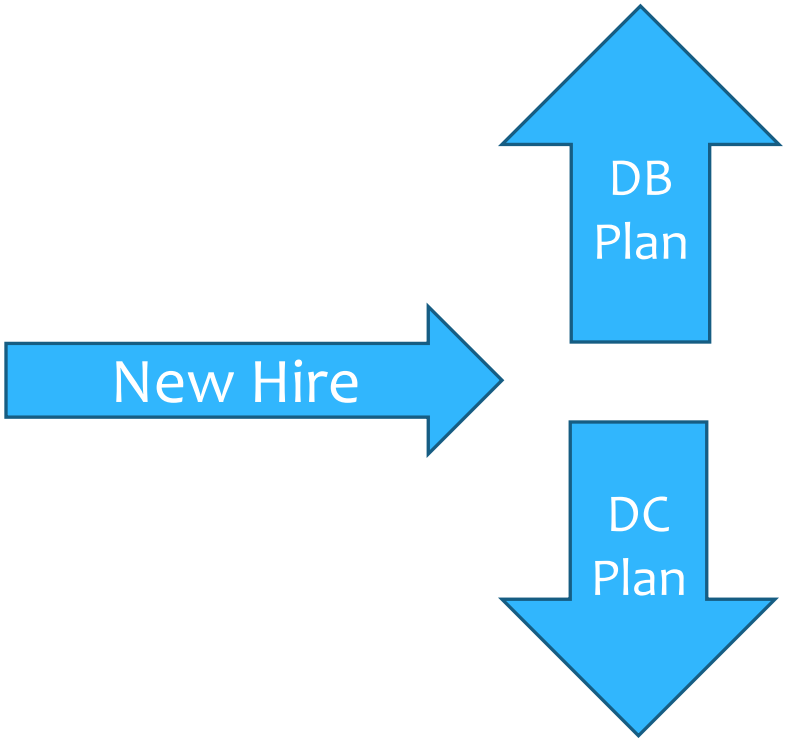


Defined Benefit Plan
Step #2 DB Plan Proposal

Retirement Plan Approach:

1. Employee – makes a one-time irrevocable election into their retirement plan of choice – DB Plan or DC Plan
2. DB Plan:
   1. Mandatory 2.5% employee contribution
   2. Eligibility based upon Step #1 - DB Plan Amendments
   3. Employee's mandatory 2.5% contribution would be increased to absorb increases required above the County 3.8% fixed contribution over time
3. DC Plan:
   1. County contributes 3.8% into DC Plan
   2. County contribution vests to employee over a two-year period

DB Plan Step #2
Employee Selects Type Plan



DB Plan Step #2
Retirement Plan Contributions

Today's Contribution (6.3%)

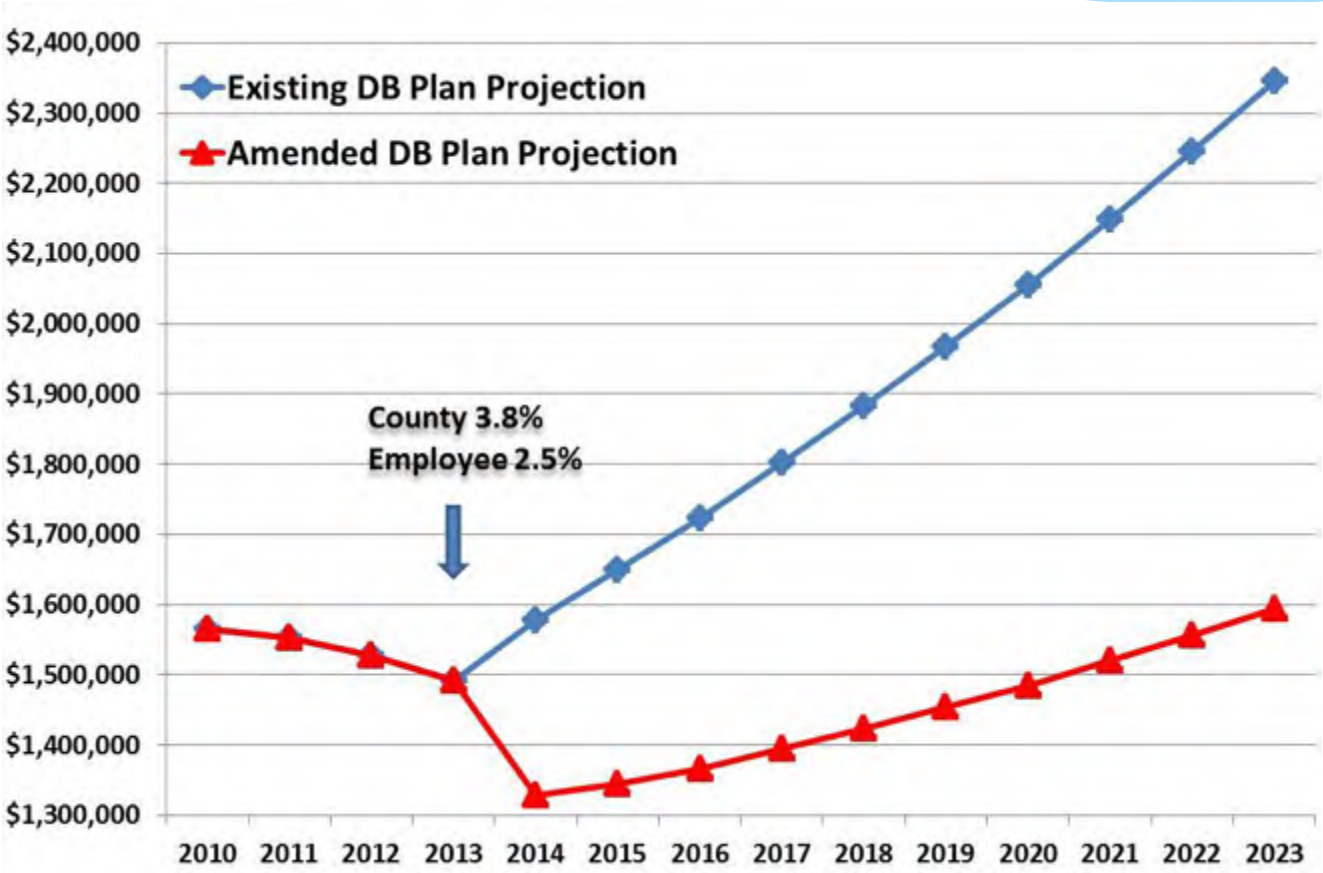
DB Plan – County contribution is 3.8%
DB Plan – Employee contribution is 2.5%

Proposed Contribution (6.3%)

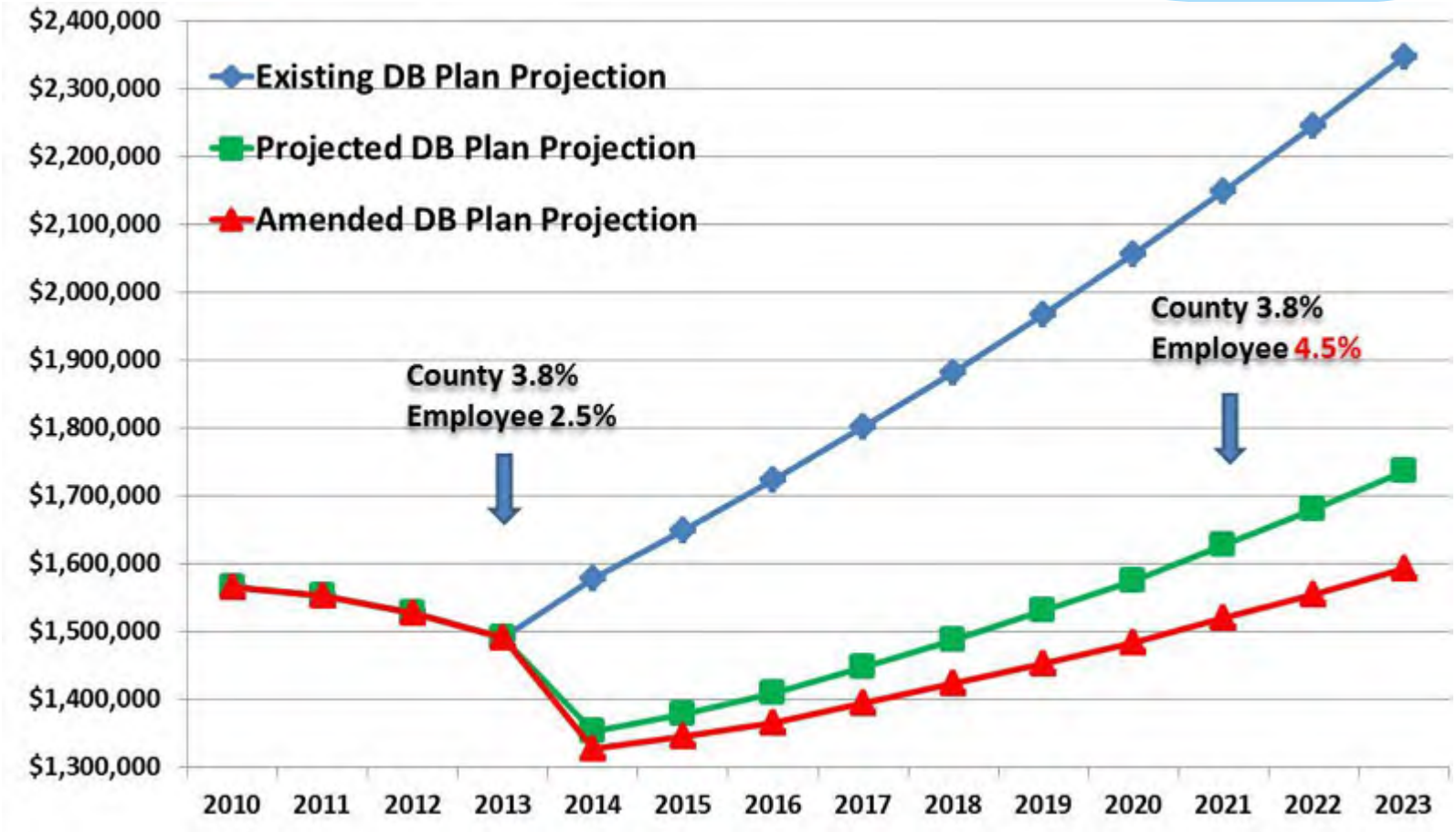
DB Plan – County contribution is 3.8%
DB Plan – Employee contribution is 2.5%

DC Plan - County contribution is 3.8%

Defined Benefit Plan
DB Plan Existing & Amended



Defined Benefit Plan
Limit DB County Contribution



Fayette County, Georgia

Questions & Answers