

A RESOLUTION

TO TRANSFER ALL ASSETS FROM THE GEORGIA RETIREE HEALTH BENEFIT FUND TO THE
GEORGIA STATE EMPLOYEES POST-EMPLOYMENT HEALTH BENEFIT FUND AND THE
GEORGIA SCHOOL PERSONNEL HEALTH BENEFIT FUND

WHEREAS, the State Health Benefit Plan is comprised of three health insurance plans, each supported by its own fund: 1) a plan for State employees (O.C.G.A. § 45-18-2), which is funded in part by State departments and agencies and other entities authorized by law to contract with the Department of Community Health for inclusion, and in part by the employees and retirees of these entities, and two plans funded in part by the Department of Education, local school systems, libraries and RESAs, and their employees and retirees: 2) a plan for teachers (O.C.G.A. § 20-2-891) and 3) a plan for non-certificated public school employees (O.C.G.A. § 20-2-911); and

WHEREAS, current and future retiree health benefits provided through the plan for State employees may be paid with assets in the Georgia State Employees Post-employment Health Benefit Fund established by O.C.G.A. § 45-18-25(a) (the "State Employee OPEB Fund"); and

WHEREAS, current and future retiree health benefits provided through the plans for teachers and non-certificated public school employees may be paid with assets in the Georgia School Personnel Post-employment Health Benefit Fund established by O.C.G.A. § 20-2-875(a) (the "School Personnel OPEB Fund"); and

WHEREAS, the Board is required by O.C.G.A. § 45-18-25(b) to identify all funds held in the Georgia Retiree Health Benefit Fund for the payment of postretirement health benefits for state employees and transfer those funds to the State Employee OPEB Fund on August 31, 2009; and

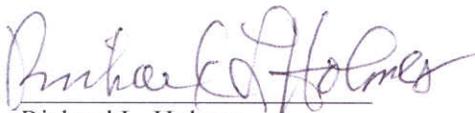
WHEREAS, the Board is required by O.C.G.A. § 20-2-875(b) to identify all funds held in the Georgia Retiree Health Benefit Fund for the payment of postretirement health benefits for school personnel and transfer those funds to the School Personnel OPEB Fund on August 31, 2009; and

WHEREAS, the identification of the funds and the plan for the transfer of the funds is set forth in Exhibit A;

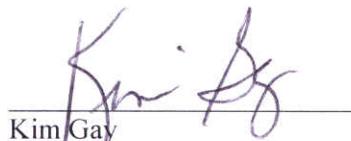
NOW, THEREFORE, LET IT BE ORDERED THAT the assets shall be transferred from the Georgia Retiree Health Benefit Fund to the State Employee OPEB Fund and the School Personnel OPEB Fund on August 31, 2009 in the manner set forth in Exhibit A; and

NOW, THEREFORE, LET IT BE FURTHER ORDERED THAT the Commissioner shall take all actions reasonable and necessary to comply with the laws establishing the State Employee OPEB Fund and the School Personnel OPEB Fund and terminating the Georgia Retiree Health Benefit Fund.

Resolved this 13th day of August, 2009, in public session.



Richard L. Holmes
Chairman



Kim Gay
Secretary to Board

Exhibit A

TRANSFER ALL ASSETS FROM THE GEORGIA RETIREE HEALTH BENEFIT FUND TO THE GEORGIA STATE EMPLOYEES POST-EMPLOYMENT HEALTH BENEFIT FUND AND THE GEORGIA SCHOOL PERSONNEL HEALTH BENEFIT FUND

SHBP Plan Assignments to OPEB Fund

| <u>SHBP Plan:</u> | <u>OPEB Fund</u> |
|------------------------------------------|--------------------------------------------------------------|
| Non-Certificated Public School Employees | Georgia School Personnel Post-employment Health Benefit Fund |
| Teachers | Georgia School Personnel Post-employment Health Benefit Fund |
| State Employees | Georgia State Employees Post-Employment Health Benefit Fund |

Assets and Liabilities for Current Year Activities:

Financial transactions related to current year revenues and expenditures for retirees (including FY 2009 retiree IBNR) will be assigned to the new OPEB funds based on their SHBP plan assignments.

Assets in Long Term Investment:

1. Total contributions to the Georgia Retiree Health Benefit Fund for retiree liabilities made between July 1, 2007 and June 30, 2009 equaled \$194,624,418.02. No contributions have been made since June 30, 2009. Contributions were made as follows:

| <u>SHBP Plan:</u> | <u>Source: 6/30/07</u> <u>Fund Balance</u> | <u>Source: FY 2008</u> <u>Contributions</u> | <u>Total</u> | <u>%</u> |
|------------------------------------------|-----------------------------------------------|------------------------------------------------|-------------------------|----------|
| Non-Certificated Public School Employees | \$ 9,622,771.48 | n/a | \$ 9,622,771.48 | 4.9% |
| Teachers | \$28,913,027.41 | n/a | \$ 28,913,027.41 | 14.9% |
| State Employees | <u>\$18,754,383.11</u> | <u>\$137,334,236.02</u> | <u>\$156,088,619.13</u> | 80.2% |
| TOTAL | \$57,290,182.00 | \$137,334,236.02 | \$194,624,418.02 | 100.0% |

2. Given that 80.2% of all Georgia Retiree Health Benefit Fund contributions for retiree liabilities were made on behalf of state and contract employees, **80.2%** of the August 31 2009 assets should be moved to the Georgia State Employees Post-Employment Health Benefit Fund; the remaining **19.8%** should be moved to the Georgia School Personnel Post-employment Health Benefit Fund for teachers and non-certificated public school employees.