



Department of Audits and Accounts

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February 22, 2023

The Honorable Larry Walker, III
State Senator
State Capitol, Room 421-A
Atlanta, GA 30334

SUBJECT: State Auditor's Certification
Senate Bill (LC 43 2711)

Dear Senator Walker:

This bill would amend provisions relating to retirement benefits payable to members of the Public School Employees Retirement System (PSERS). Under the provisions governing this retirement system, the monthly benefit payable to beneficiaries is based on a set dollar amount multiplied by years of creditable service earned by the member. Currently, the set dollar amount cannot fall below \$14.75, nor can it exceed \$16.50. If this legislation is enacted, the minimum monthly benefit would be calculated based on \$17 for each year of creditable service. This legislation would also remove the maximum benefit multiplier. Instead, the Board of Trustees would be authorized to grant a permanent or one-time benefit increase based on funds appropriated by the General Assembly for such purpose, with consideration for the actuarial soundness of the System.

If enacted, this bill would also eliminate a provision that sets the maximum monthly benefit for persons who retired from PSERS prior to July 1, 2012 at \$15 for each year of creditable service. If this legislation is enacted, the monthly benefits payable to these beneficiaries would increase to \$17 for each year of creditable service and these beneficiaries would become eligible for any future benefit increases.

This bill would also revise laws relating to social security coverage for employees of the state and political subdivisions of the state. Specifically, this bill would require the Employees' Retirement System to identify each political subdivision of this state that does not extend coverage for the benefits of Title II of the Social Security Act to members of the PSERS. The Employees' Retirement System would be required to submit a report to the Chairmen of the House and Senate Retirement Committees which includes the names of all political subdivisions that do not extend this benefit. This report must include the number of people who are impacted. This report must be issued by July 1, 2023.

By October 1, 2023, each political subdivision that currently does not extend such coverage will need to revise their plan to include social security coverage for PSERS members. On and after July 1, 2023, the Employees Retirement System will not be authorized to approve any plan of any political subdivision that does not extend social security benefit coverage to PSERS members.

This is to certify that this bill is a fiscal retirement bill as defined in the Public Retirement Systems Standards Law.

Respectfully,

s/ GREG S. GRIFFIN

Greg S. Griffin
State Auditor

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