



DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

January 12, 2026

The Honorable Rick Williams
Chairman, Senate Retirement Committee
Coverdell Legislative Office Building, Room 327-B
Atlanta, GA 30334

SUBJECT: Actuarial Investigation
Substitute to Senate Bill 150 (LC 56 0454S)
Teachers Retirement System of Georgia

Dear Chairman Williams:

This substitute bill would amend provisions relating to the employment of beneficiaries under the Teachers Retirement System of Georgia. Current law allows certain retired teachers to return to work full-time and continue receiving their retirement allowance and any post-retirement benefit adjustments approved by the Board of Trustees. This provision is only available to rehired teachers that are certified for pre-kindergarten through Grade 12 and are hired for a position that is designated as an area of highest need, as determined for the Regional Education Service Agency (RESA) in which the school system is assigned. Furthermore, under current law, such beneficiaries must be retired for a minimum of 12 months before returning to work in a full-time capacity and have obtained 30 years of creditable service in the retirement system. This allowance is set to expire June 30, 2026.

Under the provisions of this substitute bill, the allowance for retired teachers to return to work in a full-time capacity would no longer be restricted to areas of highest need, as determined by the RESAs. Instead, school systems would be authorized to hire retired teachers in a full-time capacity in the areas of English language arts, science, social studies, special education, CTAE, and mathematics provided the teacher's primary responsibility is the academic instruction of students in a classroom. Additionally, any instructor hired for English language arts must hold a current dyslexia or reading endorsement approved by the Professional Standards Commission. This substitute bill would also extend this opportunity to beneficiaries with 25 years of creditable service, provided they have been retired for a minimum of 12 months before returning to work in a full-time capacity. Finally, this bill would extend the return-to-work provisions through June 30, 2034.

While school systems would still be restricted to hiring only beneficiaries that have been retired for a minimum of 12 months, the changes in this substitute bill would expand the number of beneficiaries eligible for rehire in a full-time capacity because the bill broadens the academic areas available to school systems and broadens the pool of available beneficiaries to include members who retired with creditable service between 25 and 30 years. Allowing beneficiaries with 25 years of creditable service to return to work in a full-time capacity could potentially impact current retirement patterns by potentially increasing the number of persons who elect to retire prior to reaching 30 years of creditable service. However, since members who retire with less than 30 years of service receive a reduced benefit, the actuary estimates that any additional cost associated with

increased number of retirements would be offset by the reduction in benefits paid to such members. Therefore, this legislation would not result in any first-year cost to the TRS. There would be no increase in the unfunded actuarial accrued liability or the required employer contribution rate resulting from this legislation.

The provisions of this bill would also extend this benefit from June 30, 2026 to June 30, 2034. While this change does not have an immediate cost impact on the TRS, this change could impact future retirement patterns if the sunset date continues to be extended. Any changes in retirement patterns could impact the results of an experience study, and future assumptions used by the actuary to analyze TRS ongoing costs and the cost of future legislation. This cost estimate is based on current member data, actuarial assumptions, and actuarial methods. Any changes in any of these variables could affect the cost of this legislation. Any future costs would be paid through a combination of state appropriations, federal funds, and other funds.

The following is a summary of the relevant findings included in the actuarial investigation for this bill. The investigation was completed pursuant to a request from the Senate Retirement Committee. The investigation was to be conducted according to O.C.G.A. §47-20-36, which outlines the factors to be considered in an actuarial investigation.

(1)	The amount of the unfunded actuarial accrued liability which will result from the bill.	\$ <u> 0</u>
(2)	The amount of the annual amortization of the unfunded actuarial accrued liability which will result from the bill.	\$ <u> 0</u>
(3)	The number of years that the unfunded actuarial accrued liability created by the bill would be amortized.	<u> N/A</u>
(4)	The amount of the annual normal cost which will result from the bill.	\$ <u> 0</u>
(5)	The employer contribution rate currently in effect for the Georgia Teachers Retirement System.	<u> 22.32%*</u>
(6)	The employer contribution rate recommended for the System (in conformity with minimum funding standards specified in O.C.G.A. §47-20-10).	<u> 22.32%</u>
(7)	The total dollar amount of the increase in the annual employer contribution which is necessary to maintain the retirement system in an actuarially sound condition.	\$ <u> 0</u>

**This rate represents the employer contribution rate that has been recommended by the actuary beginning July 1, 2026, for the Teachers Retirement System of Georgia to meet the minimum funding standards.*

It should be noted that these cost estimates are based upon the current provisions of the bill as outlined in the Substitute to Senate Bill 150 (LC 56 0454S). Any subsequent changes in the retirement bill could invalidate the actuarial investigation and the findings included therein.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Greg S. Griffin". The signature is written in a cursive style with a horizontal line at the end.

Greg S. Griffin
State Auditor

GSG/cs



January 9, 2026

Mr. Greg Griffin
State Auditor
270 Washington St SW, Room 4-101
Atlanta, GA 30334-8400

SENATE BILL 150 (LC 56 0454S)

Dear Mr. Griffin:

As requested, we have made an actuarial investigation of the impact of Senate Bill 150 (LC 56 0454S) on the Teachers' Retirement System of Georgia (TRS) in accordance with the requirements of Code Section 47-20-36.

Background

This bill removes the requirement that certain subjects be designated as an area of highest need for certain retirees of TRS to be hired, extends the current return to work provisions from June 30, 2026 to June 30, 2034, and changes the requirements to return to work to be for teachers who had obtained 25 years of creditable service in TRS in a full-time capacity. This bill keeps the one-year expiration from the effective date of such teacher's retirement date for a teacher to return to work. It also keeps the early retirement provisions for teachers that have 25 years of creditable service at retirement.

Cost Impacts

This legislation is mainly intended to extend the current return to work window from 2026 to 2034 and add various other areas of academic study in which former teachers were in a full-time capacity, rather than in an area of the highest need. In addition, the eligibility for this legislation changes to 25 years of creditable service. However, the one-year wait to return to work since retirement requirement continues with this legislation. Therefore, although we believe this may alter retirement behavior for current teachers with less than 30 years of creditable service, any potential impact associated with increased retirement activity should be offset by the early retirement reductions that would be applied to their retirement allowances. We estimate that this bill would not result in any first-year increase in the employer contribution rate or unfunded actuarial accrued liability.

Actuarial Assumptions

The cost estimates, if applicable, contained in this letter are based on the data, methods, assumptions, and provisions used in the June 30, 2024 actuarial valuation for TRS. We increased the rates of retirement for service levels between 25 and 30 years of service to model our expectations of who may retire early and return to work under this legislation.



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Disclosures and Caveats

In order to prepare the results in this investigation, 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.

The comments and analysis contained in this letter are not intended to give exact calculations of costs. They should be considered to be estimates. The emerging costs will vary from those presented in this letter to the extent that actual experience differs from that projected by the actuarial assumptions. This cost analysis has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board (ASB) and the Code of Professional Conduct and Qualification Standards for Public Statement of Actuarial Opinion of the American Academy of Actuaries.

We have not explored any legal issues with respect to the proposed plan analysis. We are not attorneys and cannot give legal advice on such issues. We recognize that the proposed changes may be affected by federal law and strongly suggest that you review this proposal with counsel.

The undersigned is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Sincerely yours,

Ed Koebel, EA, FCA, MAAA
Chief Executive Officer



EXHIBIT A

TEACHERS RETIREMENT SYSTEM

SENATE BILL 150 (LC 56 0454S)
 (All amounts are in \$ thousands)

Cost	Before Legislation		After Legislation		Increase Due to Legislation	
Unfunded Actuarial Accrued Liability	\$29,508,498		\$29,508,498		\$0	
Amount of the Annual Amortization of the Unfunded Actuarial Accrued Liability	\$2,161,600		\$2,161,600		\$0	
Number of Years that the Unfunded Actuarial Accrued Liability would be Amortized	20.6		20.6		20	
Annual Contribution:	%	Annual Amount	%	Annual Amount	%	Annual Amount
Normal Cost	8.81 %	\$ 1,409,600	8.81 %	\$ 1,409,600	0.00 %	\$ 0
Accrued Liability	13.51	2,161,600	13.51	2,161,600	0.00	0
Employer Contribution Rate Currently in Effect	22.32 %	\$ 3,571,200	22.32 %	\$ 3,571,200	0.00 %	\$ 0
Employer Contribution Rate Recommended due to Minimum Funding Standards	22.32 %	\$ 3,571,200	22.32 %	\$ 3,571,200	0.00 %	\$ 0

The preceding figures are based on the employee data, actuarial assumptions, and actuarial methods used to prepare the 2024 actuarial valuation of the System. An estimated payroll of \$16,000,000,000 was used for the 2026-2027 Plan Year for all participants.