



DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

October 30, 2025

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

SUBJECT: Actuarial Investigation
Senate Bill 157 (LC 56 0306)
Georgia Legislative Retirement System

Dear Chairman Williams:

This bill would amend provisions relating to membership and creditable service under the Georgia Legislative Retirement System (LRS). Currently, membership in the LRS is optional for members of the General Assembly. This bill would allow current and former members of the General Assembly who never participated in the LRS to make an irrevocable election to become a member and earn creditable service for all prior service. Persons who served at least four years or two full terms in the General Assembly would be eligible for membership and creditable service, provided they pay the full actuarial cost of the service granted.

Former members of the General Assembly who make this election would become eligible for a monthly retirement allowance in accordance with the provisions of O.C.G.A. §47-6-80 (a). Upon retirement, such members would receive a monthly retirement allowance based on the allowance in effect at the time their service concluded. It should be noted that this bill would require the staff of the Employees' Retirement System (ERS) to notify all persons who would be eligible to make this irrevocable election. Such notifications must be made by September 1, 2026.

This legislation would not result in any additional cost to the LRS since any person wishing to join and obtain creditable service would be required to pay the full actuarial cost of the service granted. There would be no increase in the unfunded actuarial accrued liability or the required employer contribution rate because of this legislation. The cost estimate is based on current member data, actuarial assumptions, and actuarial methods. Changes to any of these variables could affect the cost of this legislation. Any future costs would be paid through State appropriations. It should be noted that 222 of the 236 active members of the General Assembly are currently members of the LRS.

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 Georgia Legislative Retirement System members.	\$ <u> 0*</u>
(6)	The employer contribution rate recommended for Georgia LRS members (in conformity with minimum funding standards specified in O.C.G.A. §47-20-10).	\$ <u> 0</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 Georgia Legislative Retirement System to meet the minimum funding standards.*

It should be noted that the provisions of this bill require the ERS to notify certain current and prior members of the General Assembly that they may be eligible to make an irrevocable election to join the LRS and obtain creditable service for their prior service with the General Assembly. The ERS does not maintain a listing of eligible persons who did not elect membership in the LRS. Therefore, they would need to rely on the employer to obtain a listing of persons impacted by this legislation and accurate contact information.

These cost estimates are based upon the current provisions of the bill as outlined in Senate Bill 157 (LC 56 0306). Any subsequent changes in the retirement bill could invalidate the actuarial investigation and the findings included therein.

Respectfully Submitted,



Greg S. Griffin
State Auditor

GSG/cs



September 19, 2025

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

SENATE BILL 157 (LC 56 0306)

Dear Mr. Griffin:

As requested, we have made an actuarial investigation of the impact of Senate Bill 157 (LC 56 0306) on the Legislative Retirement System of Georgia (LRS) in accordance with the requirements of Code Section 47-20-36.

Background

This bill allows for a member or former member of the General Assembly to buy into LRS at full actuarial cost. In order to obtain creditable service for prior service as a member of the General Assembly, the member or former member must have served at least four years or two full terms in the General Assembly and never been a member of LRS.

The benefit the member or former member will receive will be dependent on when their service concluded (before or after January 1, 2022).

Cost Impacts

Since this legislation states the member or former member of the General Assembly must pay to the Board of Trustees an amount sufficient to cover the full actuarial cost of granting such creditable service, we believe there is no cost impact to LRS.

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 LRS. There were no changes in any of the current actuarial assumptions for this actuarial impact letter.



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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 are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

Edward J. Koebel, EA, FCA, MAAA
Chief Executive Officer

Ben Mobley, ASA, FCA, MAAA
Consulting Actuary



EXHIBIT A
LEGISLATIVE RETIREMENT SYSTEM
SENATE BILL 157 (LC 56 0306)

Cost	Before Legislation		After Legislation		Increase Due to Legislation	
	\$ per Active Member	Annual Amount	\$ per Active Member	Annual Amount	\$ per Active Member	Annual Amount
Unfunded Actuarial Accrued Liability		\$ (9,876,525)		\$ (9,876,525)		\$ 0
Amount of the Annual Amortization of the Unfunded Actuarial Accrued Liability		\$ (1,234,682)		\$ (1,234,682)		\$ 0
Number of Years that the Unfunded Actuarial Accrued Liability would be Amortized	N/A		N/A		N/A	
Annual Contribution:	\$ per Active Member	Annual Amount	\$ per Active Member	Annual Amount	\$ per Active Member	Annual Amount
Normal Cost	\$ 2,065.99	\$ 458,649	\$ 2,065.99	\$ 458,649	\$ 0.00	\$ 0
Accrued Liability	<u>(2,065.99)</u>	<u>(458,649)</u>	<u>(2,065.99)</u>	<u>(458,649)</u>	<u>0.00</u>	<u>0</u>
Employer Contribution Rate Currently in Effect	\$ 0.00	\$ 0	\$ 0.00	\$ 0	\$ 0.00	\$ 0
Employer Contribution Rate Recommended due to Minimum Funding Standards	\$ 0.00	\$ 0	\$ 0.00	\$ 0	\$ 0.00	\$ 0

The preceding figures are based on the employee data, actuarial assumptions, and actuarial methods used to prepare the June 30, 2024 actuarial valuation of the System. The valuation included 222 active members