



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 198 (LC 56 0312)
Georgia Legislative Retirement System

Dear Chairman Williams:

This bill would amend provisions relating to monthly retirement allowances under the Georgia Legislative Retirement System (LRS). Effective July 1, 2022, the monthly retirement allowance was increased to \$50 for each year of creditable service earned provided the member was making contributions on January 1, 2022. Members who ceased making contributions prior to this date receive a monthly allowance based on a lower multiplier. If this legislation is enacted, the board of trustees for the Georgia Legislative Retirement System would be required to increase the benefit multiplier in such a manner that the System maintains a funded ratio, as defined in this bill, as close to 120 percent as practicable. Under the provisions of this bill, benefit increases would first be awarded to retirees who receive a benefit calculated with the lower benefit multiplier. Once the multipliers for all active and retired members are equal, future increases would be awarded to all members. Under the provisions of this bill, the minimum increase shall not be less than \$1.00. It should be noted that this legislation provides for increases in the member contributions that are proportional to any increase in the benefit multiplier that would be awarded to active members.

According to the System's actuary, the Board of Trustees for the LRS would be able to increase the multiplier for persons who retired prior to January 1, 2022, from \$36 to \$42 and maintain a funded ratio of 120 percent. This would result in a first-year cost to the LRS of \$275,140, which is the cost required each year for the next 20 years to amortize the increase in the unfunded actuarial accrued liability. Currently, the employer contribution rate is \$0 per active member since the funded ratio exceeds 100 percent. If this legislation is enacted, the employer contribution rate would remain at \$0 per active member. The cost estimate is based on current membership of 222 active members, actuarial assumptions, and actuarial methods. It should be noted that changes in any of these variables could affect the cost of this legislation. Any future costs would be paid through State appropriations.

As shown in the following table, the LRS would be able to maintain a funded ratio above 120 percent with a \$6 increase in the multiplier for all members who retired before January 1, 2022. Furthermore, the funded ratio will continue to improve beyond 120 percent over the next five years, provided the actuarial assumptions are met, which will allow for further opportunities to increase the multiplier. The analysis in the following table does not account for future increases in the benefit multiplier.

Fiscal Year	Funded Ratio Before SB 198	Funded Ratio with SB 198	Change in Funded Ratio*
2027	132.4%	120.8%	-11.6%
2028	136.2%	124.6%	-11.6%
2029	136.1%	124.2%	-11.9%
2030	141.0%	128.3%	-12.7%
2031	145.7%	131.6%	-14.1%

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. \$ 2,914,835
- (2) The amount of the annual amortization of the unfunded actuarial accrued liability which will result from the bill. \$ 275,140
- (3) The number of years that the unfunded actuarial accrued liability created by the bill would be amortized. 20
- (4) The amount of the annual normal cost which will result from the bill. \$ 0
- (5) The employer contribution rate currently in effect for Georgia Legislative Retirement System members. \$ 0*
- (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). \$ 0
- (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. \$ 0**

*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.

**The estimated first-year cost of SB 198 is \$275,140. However, since the System's funded ratio would remain above 100 percent, no appropriations would be required in the FY 2027 Appropriations Act, provided no other legislation affecting the Georgia Legislative Retirement System is passed. If multiple bills are passed, the cumulative cost and impact of all bills would need to be calculated to determine the extent of funding needed to meet the concurrent funding requirements outlined in O.C.G.A. §47-20-50.

These cost estimates are based upon the current provisions of the bill as outlined in Senate Bill 198 (LC 56 0312). Any subsequent changes in the retirement bill could invalidate the actuarial investigation and the findings included therein.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Greg S. Griffin". The signature is written in a cursive style with a horizontal line extending to the right.

Greg S. Griffin
State Auditor

GSG/cs



October 16, 2025

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

SENATE BILL 198 (LC 56 0312)

Dear Mr. Griffin:

As requested, we have made an actuarial investigation of the impact of Senate Bill 198 (LC 56 0312) on the Legislative Retirement System (LRS) in accordance with the requirements of Code Section 47-20-36.

Background

This bill would increase the retirement benefit multiplier payable to former legislators upon retirement and to currently retired legislators in retirement by an amount not less than \$1. Such an increase shall not lower the funded ratio of the System below 120 percent. We have determined that an increase of \$6 to the benefit multiplier for these members meets this requirement. Former legislators and current retired legislators would receive a benefit equal to \$42.00 multiplied by the number of years of the member's credited service.

Cost Impacts

The cost of this bill would be about \$275,140 in the first year. The estimated increase in the unfunded actuarial accrued liability would be \$2,914,835. However, since the System will continue to be in a fully funded position and the recommended contribution would still be zero after this legislation, there is no increase in the employer contribution rate as a result of this legislation.

Exhibit A shows the unfunded actuarial accrued liability and recommended employer contributions under the System before and after the proposed legislation. The recommended employer contribution rates are in conformity with the minimum funding standards specified by Code Section 47-20-10.

The five-year impact of this bill for various actuarial metrics is shown on Exhibit B. The fund is expected to remain at full funding before and after this legislation.

Actuarial Assumptions

The cost estimates contained in this letter are based on the data, methods, assumptions, and provisions used in the June 30, 2024 actuarial valuation for LRS.



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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 198 (LC 56 0312)

Cost	Before Legislation		After Legislation		Increase Due to Legislation	
Unfunded Actuarial Accrued Liability	(\$9,876,525)		(\$6,961,690)		\$2,914,835	
Amount of the Annual Amortization of the Unfunded Actuarial Accrued Liability	(\$1,234,682)		(\$959,542)		\$275,140	
Number of Years that the Unfunded Actuarial Accrued Liability would be Amortized	20		20		20	
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	(5,561.63)	(1,234,682)	(4,322.26)	(959,542)	1,239.37	275,140
Employer Contribution Rate Currently in Effect	\$ (3,495.64)	\$ (776,033)	\$ (2,256.27)	\$ (500,893)	\$ 1,239.37	\$ 275,140
Employer Contribution Rate Recommended due to Minimum Funding Standards (not less than \$0)*	\$ 0.00	\$ 0	\$ 0.00	\$ 0	\$ 0.00	\$ 0

*Since the System is in a fully funded position and the required contribution is zero before the legislation, the actual increase in the employer contribution is \$0 as a result of this legislation.

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



**EXHIBIT B
LEGISLATIVE RETIREMENT SYSTEM
SENATE BILL 198 (LC 56 0312)**

Projected values by year before enactment of proposed pension legislation

Valuation Year	Fiscal Year End	Assets (Actuarial)	Present Value Future Benefits	Actuarial Accrued Liability	Funded Ratio (f) = (c) / (e)	Unfunded Actuarial Liability	Unfunded Actuarial Rate (\$ per active member)	Normal Cost	Normal Cost Rate (\$ per active member)	Total Employer Rate (\$ per active member) (k) = (h) + (j)	Total Employer Rate due to Minimum Funding Standards*	Benefit Payments (m)
(a)	(b)	(c)	(d)	(e)	(f) = (c) / (e)	(g) = (e) - (c)	(h)	(i)	(j)	(k) = (h) + (j)	(l)	(m)
2024	2027	\$40,397,000	\$34,019,447	\$30,520,475	132.4%	(\$9,876,525)	(\$5,561,633)	\$459,649	\$2,065.99	(\$3,495.64)	\$0.00	\$1,894,000
2025	2028	\$42,440,325	\$34,732,273	\$31,166,196	136.2%	(\$11,274,129)	(\$6,386,901)	\$469,164	\$2,113.35	(\$4,273.55)	\$0.00	\$1,886,000
2026	2029	\$43,003,382	\$35,149,854	\$31,600,308	136.1%	(\$11,403,074)	(\$6,709,051)	\$469,806	\$2,111.74	(\$4,597.31)	\$0.00	\$2,241,512
2027	2030	\$45,141,236	\$35,520,083	\$32,006,688	141.0%	(\$13,134,538)	(\$7,739,151)	\$462,411	\$2,082.93	(\$5,656.22)	\$0.00	\$2,302,098
2028	2031	\$46,955,476	\$35,730,598	\$32,218,976	145.7%	(\$14,736,500)	(\$8,759,881)	\$464,157	\$2,090.80	(\$6,669.08)	\$0.00	\$2,405,851

*Since the System is in a fully funded position and the required contribution is less than zero, the actual required employer contribution is \$0.

Projected values by year after enactment of proposed pension legislation

Valuation Year	Fiscal Year End	Assets (Actuarial)	Present Value Future Benefits	Actuarial Accrued Liability	Funded Ratio (f) = (c) / (e)	Unfunded Actuarial Liability	Unfunded Actuarial Rate (\$ per active member)	Normal Cost	Normal Cost Rate (\$ per active member)	Total Employer Rate (\$ per active member) (k) = (h) + (j)	Total Employer Rate due to Minimum Funding Standards*	Benefit Payments (m)
(a)	(b)	(c)	(d)	(e)	(f) = (c) / (e)	(g) = (e) - (c)	(h)	(i)	(j)	(k) = (h) + (j)	(l)	(m)
2024	2027	\$40,397,000	\$36,934,282	\$33,435,310	120.8%	(\$6,961,690)	(\$4,322.26)	\$459,649	\$2,065.99	(\$2,256.28)	\$0.00	\$1,894,000
2025	2028	\$42,440,325	\$37,617,548	\$34,051,471	124.6%	(\$8,388,854)	(\$5,129.87)	\$469,164	\$2,113.35	(\$3,016.52)	\$0.00	\$1,886,000
2026	2029	\$42,741,572	\$37,974,357	\$34,424,811	124.2%	(\$8,316,761)	(\$5,333.76)	\$469,806	\$2,111.74	(\$3,222.02)	\$0.00	\$2,494,468
2027	2030	\$44,599,427	\$38,279,694	\$34,766,309	128.3%	(\$9,833,118)	(\$6,234.44)	\$462,411	\$2,082.93	(\$4,151.50)	\$0.00	\$2,554,922
2028	2031	\$46,114,039	\$38,541,800	\$35,030,178	131.8%	(\$11,063,861)	(\$7,062.06)	\$464,157	\$2,090.80	(\$4,971.27)	\$0.00	\$2,658,702

*Since the System is in a fully funded position and the required contribution is zero before the legislation, the actual increase in the employer contribution is \$0 as a result of this legislation.

Changes after enactment of proposed legislation

Valuation Year	Fiscal Year End	Assets (Actuarial)	Present Value Future Benefits	Actuarial Accrued Liability	Funded Ratio (f) = (c) / (e)	Unfunded Actuarial Liability	Unfunded Actuarial Rate (\$ per active member)	Normal Cost	Normal Cost Rate (\$ per active member)	Total Employer Rate (\$ per active member) (k) = (h) + (j)	Total Employer Rate due to Minimum Funding Standards*	Benefit Payments (m)
(a)	(b)	(c)	(d)	(e)	(f) = (c) / (e)	(g) = (e) - (c)	(h)	(i)	(j)	(k) = (h) + (j)	(l)	(m)
2024	2027	\$0	\$2,914,835	\$2,914,835	-11.6%	\$2,914,835	\$1,239.37	\$0	\$0.00	\$1,239.36	\$0.00	\$0
2025	2028	\$0	\$2,885,275	\$2,885,275	-11.6%	\$2,885,275	\$1,257.03	\$0	\$0.00	\$1,257.03	\$0.00	\$0
2026	2029	(\$261,810)	\$2,824,503	\$2,824,503	-11.9%	\$3,086,313	\$1,375.29	\$0	\$0.00	\$1,375.29	\$0.00	\$252,956
2027	2030	(\$541,809)	\$2,759,611	\$2,759,611	-12.7%	\$3,301,420	\$1,504.71	\$0	\$0.00	\$1,504.72	\$0.00	\$252,924
2028	2031	(\$841,437)	\$2,811,202	\$2,811,202	-14.1%	\$3,652,639	\$1,697.82	\$0	\$0.00	\$1,697.81	\$0.00	\$252,851

*Since the System is in a fully funded position and the required contribution is zero before the legislation, the actual increase in the employer contribution is \$0 as a result of this legislation.