



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 216 (LC 56 0220)
Employees' Retirement System of Georgia
Georgia Judicial Retirement System

Dear Chairman Williams:

This bill would amend provisions relating to membership in the Georgia Judicial Retirement System (JRS). Specifically, this bill would authorize individuals employed as the director of the Prosecuting Attorneys Qualifications Commission to become members of the JRS. Currently, such persons participate in the Employees' Retirement System of Georgia (ERS). If this legislation is enacted, all persons hired into this position on or after July 1, 2026 will automatically become members of the JRS. This bill would authorize any person who is serving in this position on the effective date to transfer their membership from ERS to JRS, provided such election is made by June 30, 2027.

Under the provisions of this bill, the transferring member would be eligible to obtain creditable service in the JRS equal to the amount of service time earned under the ERS. The ERS would be required to transfer all employee and employer contributions, with interest, to the JRS. The transferring member would be required to pay any additional amount necessary to fund the full actuarial cost of the creditable service granted. Currently, there is only one active member of the ERS who is affected by this legislation.

This legislation would impact the Employees' Retirement System of Georgia (ERS) only if the current director of the Prosecuting Attorneys Qualifications Commission elects to transfer into the JRS. If such election is made, the ERS could realize an increase in the unfunded actuarial accrued liability because the System would lose the value of contributions made by or on behalf of the transferring member, the associated earnings, and future earning from these contributions. However, since this bill only affects one member of ERS, the impact is not enough to require an increase in the annual amortization of the unfunded actuarial accrued liability. Therefore, this bill would not result in an increase in the anticipated employer contribution rate for the ERS. The cost estimate is based on current member data, an estimated payroll of \$3,500,000,000, 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.

This legislation should not have any fiscal impact on the Georgia Judicial Retirement System (JRS). The amount of creditable service earned by a transferring member will be determined by the value of the contributions transferred from the ERS, along with any additional amount paid by the transferring member. All persons who assume the position of director of the Prosecuting Attorneys Qualification Commission on or after July 1, 2026 would be subject to the provisions available to all new members of the System. This bill would not result in an increase in the unfunded actuarial accrued liability or cause an increase in the employer contribution rate. The cost estimate is based on current member data, an estimated payroll of \$75,000,000, 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.

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

Employees' Retirement System of Georgia

(1)	The amount of the unfunded actuarial accrued liability which will result from the bill.	\$ <u>86,000</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 Non-GSEPS members.	<u>29.28%*</u>
(6)	The employer contribution rate recommended for non-GSEPS members (in conformity with minimum funding standards specified in O.C.G.A. §47-20-10).	<u>29.28%</u>
(7)	The employer contribution rate currently in effect for GSEPS members.	<u>25.51%*</u>
(8)	The employer contribution rate recommended for GSEPS members (in conformity with minimum funding standards specified in O.C.G.A. §47-20-10)	<u>25.51%</u>
(9)	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 Non-GSEPS and GSEPS members, respectively, to meet the minimum funding standards.*

Georgia Judicial Retirement System

(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.	<u>9.10%*</u>
(6)	The employer contribution rate recommended (in conformity with minimum funding standards specified in O.C.G.A. §47-20-10).	<u>9.10%</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, 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 Senate Bill 216 (LC 56 0220). Any subsequent changes in the retirement bill could invalidate the actuarial investigations and the findings included therein.

Respectfully Submitted,



Greg S. Griffin
State Auditor

GSG/cs



September 30, 2025

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

SENATE BILL 216 (LC 56 0220)

Dear Mr. Griffin:

As requested, we have made an actuarial investigation of the impact of Senate Bill 216 (LC 56 0220) on the Employees' Retirement System of Georgia (ERS) in accordance with the requirements of Code Section 47-20-36.

Background

This bill provides that on or after July 1, 2026, any individual employed as the director of the Prosecuting Attorneys Qualifications Commission shall become a member of the Judicial Retirement System of Georgia (JRS) but provides that any member employed as such prior to July 1, 2026 may either remain a member of ERS or elect to become a member of JRS. If such an election is made, the member must pay JRS any remaining amount necessary to cover the full actuarial cost of such transfer after ERS has transferred all employer and employee contributions with regular interest while a member of ERS. The service transferred from ERS to JRS would be for vesting purposes only.

Cost Impacts

This legislation would only impact ERS if the current director of the Prosecuting Attorneys Qualifications Commission elected to transfer his service from ERS to JRS. Our analysis indicates that such a transfer may be an attractive option to this member but ultimately would be a decision to be made by the member. If the director elects to continue as a member of ERS, then there would be no impact to ERS. The following analysis assumes that the member would elect to make the transfer to JRS.

The cost to ERS would stem from the loss of the employer and employee contributions related to this member and the loss of future investment earnings on these amounts. However, this would be partially offset by the elimination of any pension liability to ERS on behalf of this member.

The estimated increase in the unfunded actuarial accrued liability would be \$86,000. However, when the accrued liability contribution rate is calculated to include this amount, the result, when rounded, comes out to the same rate as the baseline. In other words, the change in the rate is less than one basis point. Therefore, the cost of this bill would be approximately \$0 in the first year.

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.



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The five-year impact of this bill for various actuarial metrics is shown on Exhibit B.

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 ERS. There were no changes in any of the current actuarial assumptions for this actuarial impact letter. The increase in liabilities due to the legislation are amortized over a 20-year period. As can be seen in column (n) of Exhibit B, the funding policy for ERS calls for the employer contribution rate to not decrease by more than 2% from one fiscal year to the next fiscal year.

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

EMPLOYEES RETIREMENT SYSTEM

SENATE BILL 216 (LC 56 0220)
(All amounts are in \$ thousands)

Cost	Before Legislation		After Legislation		Increase Due to Legislation	
Unfunded Actuarial Accrued Liability	\$5,156,679		\$5,156,765		\$86	
Amount of the Annual Amortization of the Unfunded Actuarial Accrued Liability	\$766,500		\$766,500		\$0	
Number of Years that the Unfunded Actuarial Accrued Liability would be Amortized	10.9		10.9		0	
Annual Contribution: Non-GSEPS	%	Annual Amount	%	Annual Amount	%	Annual Amount
Normal Cost	7.38 %	\$ 66,420	7.38 %	\$ 66,420	0.00 %	\$ 0
Accrued Liability	21.90	197,100	21.90	197,100	0.00	0
Employer Contribution Rate Currently in Effect	29.28 %	\$ 263,520	29.28 %	\$ 263,520	0.00 %	\$ 0
Non-GSEPS Employer Contribution Rate Recommended due to Minimum Funding Standards	29.28 %	\$ 263,520	29.28 %	\$ 263,520	0.00 %	\$ 0
Annual Contribution: GSEPS	%	Annual Amount	%	Annual Amount	%	Annual Amount
Normal Cost	3.61 %	\$ 93,860	3.61 %	\$ 93,860	0.00 %	\$ 0
Accrued Liability	21.90	569,400	21.90	569,400	0.00	0
Employer Contribution Rate Currently in Effect	25.51 %	\$ 663,260	25.51 %	\$ 663,260	0.00 %	\$ 0
GSEPS Employer Contribution Rate Recommended due to Minimum Funding Standards	25.51 %	\$ 663,260	25.51 %	\$ 663,260	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. An estimated payroll of \$3,500,000,000 was used for the 2026-2027 Plan Year for all participants; \$900,000,000 for Non-GSEPS and \$2,600,000,000 for GSEPS members.



**EXHIBIT B
EMPLOYEES RETIREMENT SYSTEM
SENATE BILL 216 (LC 56 0220)**

Projected values by year before enactment of proposed pension legislation*

Valuation Year (a)	Fiscal Year End (b)	Assets (Actuarial) (c)	Present Value Future Benefits (d)	Actuarial Accrued Liability (e)	Funded Ratio (f) = (c) / (e)	Unfunded Actuarial Accrued Liability (g) = (e) - (c)	Unfunded Actuarial Liability Rate (h)	Normal Cost Rate (New Plan) (i)	Total Employer Rate (New Plan) (k) = (h) + (i)	Normal Cost Rate (GSEPs) (m)	Total Employer Rate (GSEPs) (n) = (h) + (m)
2024	2027	\$16,216	\$22,396	\$21,372	75.9%	\$5,156	21.90%	7.38%	29.28%	\$92	3.61%
2025	2028	\$17,793	\$22,408	\$21,396	83.2%	\$3,603	19.88%	7.33%	27.21%	\$97	3.63%
2026	2029	\$18,265	\$22,463	\$21,460	85.1%	\$3,195	17.87%	7.27%	25.14%	\$103	3.64%
2027	2030	\$19,349	\$22,482	\$21,486	90.1%	\$2,137	15.85%	7.22%	23.07%	\$108	3.66%
2028	2031	\$20,274	\$22,469	\$21,477	94.4%	\$1,203	13.85%	7.17%	21.02%	\$113	3.66%

* Dollar amounts reported in millions.

Projected values by year after enactment of proposed pension legislation*

Valuation Year (a)	Fiscal Year End (b)	Assets (Actuarial) (c)	Present Value Future Benefits (d)	Actuarial Accrued Liability (e)	Funded Ratio (f) = (c) / (e)	Unfunded Actuarial Accrued Liability (g) = (e) - (c)	Unfunded Actuarial Liability Rate (h)	Normal Cost Rate (New Plan) (i)	Total Employer Rate (New Plan) (k) = (h) + (i)	Normal Cost Rate (GSEPs) (m)	Total Employer Rate (GSEPs) (n) = (h) + (m)
2024	2027	\$16,216	\$22,396	\$21,372	75.9%	\$5,156	21.90%	7.38%	29.28%	\$92	3.61%
2025	2028	\$17,793	\$22,408	\$21,396	83.2%	\$3,603	19.88%	7.33%	27.21%	\$97	3.63%
2026	2029	\$18,265	\$22,463	\$21,460	85.1%	\$3,195	17.87%	7.27%	25.14%	\$103	3.64%
2027	2030	\$19,349	\$22,482	\$21,486	90.1%	\$2,137	15.85%	7.22%	23.07%	\$108	3.66%
2028	2031	\$20,274	\$22,469	\$21,477	94.4%	\$1,203	13.85%	7.17%	21.02%	\$113	3.66%

* Dollar amounts reported in millions.

Changes after enactment of proposed legislation*

Valuation Year (a)	Fiscal Year End (b)	Assets (Actuarial) (c)	Present Value Future Benefits (d)	Actuarial Accrued Liability (e)	Funded Ratio (f) = (c) / (e)	Unfunded Actuarial Accrued Liability (g) = (e) - (c)	Unfunded Actuarial Liability Rate (h)	Normal Cost Rate (New Plan) (i)	Total Employer Rate (New Plan) (k) = (h) + (i)	Normal Cost Rate (GSEPs) (m)	Total Employer Rate (GSEPs) (n) = (h) + (m)
2024	2027	\$0	\$0	\$0	0.0%	\$0	0.00%	0.00%	0.00%	\$0	0.00%
2025	2028	\$0	\$0	\$0	0.0%	\$0	0.00%	0.00%	0.00%	\$0	0.00%
2026	2029	\$0	\$0	\$0	0.0%	\$0	0.00%	0.00%	0.00%	\$0	0.00%
2027	2030	\$0	\$0	\$0	0.0%	\$0	0.00%	0.00%	0.00%	\$0	0.00%
2028	2031	\$0	\$0	\$0	0.0%	\$0	0.00%	0.00%	0.00%	\$0	0.00%

* Dollar amounts reported in millions.



September 30, 2025

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

SENATE BILL 216 (LC 56 0220)

Dear Mr. Griffin:

As requested, we have made an actuarial investigation of the impact of Senate Bill 216 (LC 56 0220) on the Judicial Retirement System of Georgia (JRS) in accordance with the requirements of Code Section 47-20-36.

Background

This bill provides that on or after July 1, 2026, any individual employed as the director of the Prosecuting Attorneys Qualifications Commission shall become a member of JRS but provides that any member employed as such prior to July 1, 2026 may either remain a member of the Employees' Retirement System (ERS) or elect to become a member of JRS. If such an election is made, the member must pay JRS any remaining amount necessary to cover the full actuarial cost of such transfer after ERS has transferred all employer and employee contributions with regular interest while a member of ERS. The service transferred from ERS to JRS would be for vesting purposes only.

Cost Impacts

Since this legislation states that the member 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 JRS.

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



Mr. Greg Griffin
September 30, 2025
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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

JUDICIAL RETIREMENT SYSTEM

SENATE BILL 216 (LC 56 0220)
(All amounts are in \$ thousands)

Cost	Before Legislation		After Legislation		Increase Due to Legislation	
Unfunded Actuarial Accrued Liability	\$ (27,413)		\$ (27,413)		\$ 0	
Amount of the Annual Amortization of the Unfunded Actuarial Accrued Liability	\$(3,735)		\$(3,735)		\$ 0	
Number of Years that the Unfunded Actuarial Accrued Liability would be Amortized	9.9		9.9		0	
Annual Contribution:	%	Annual Amount	%	Annual Amount	%	Annual Amount
Normal Cost	14.08 %	\$ 10,560	14.08 %	\$ 10,560	0.00 %	\$ 0
Accrued Liability	(4.98)	(3,735)	(4.98)	(3,735)	0.00	0
Employer Contribution Rate Currently in Effect	9.10 %	\$ 6,825	9.10 %	\$ 6,825	0.00 %	\$ 0
Employer Contribution Rate Recommended due to Minimum Funding Standards	9.10 %	\$ 6,825	9.10 %	\$ 6,825	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. An estimated payroll of \$75,000,000 was used for the 2026-2027 Plan Year for all participants.