



DOAA
Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

October 30, 2025

The Honorable John Carson
Chairman, House Retirement Committee
State Capitol, Room 401-E
Atlanta, GA 30334

SUBJECT: Actuarial Investigation
House Bill 372 (LC 56 0420S)
Teachers Retirement System of Georgia

Dear Chairman Carson:

This bill would amend provisions relating to the employment of beneficiaries under the Teachers Retirement System of Georgia (TRS). 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 who 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. Currently, this provision is set to expire on June 30, 2026. This bill would extend this provision through June 30, 2030, and would move the responsibility for determining the areas of highest need from the RESAs to each individual school district. Under the provisions of this bill, any beneficiary rehired under these provisions would be authorized to continue full-time employment regardless of any changes in the school system's areas of highest need.

This bill would also expand this benefit, through June 30, 2030, to include any beneficiary who returns to work full-time and has as his or her primary responsibility the academic instruction and support of students in the area of mathematics, special education, reading, writing, or English language arts, provided such beneficiary holds a current dyslexia or reading endorsement approved by the Professional Standards Commission. Beneficiaries rehired under this provision must be retired for at least one year prior to returning to work in a full-time capacity. It should also be noted that school districts would be required to pay the employee and employer contributions for any retired teacher hired under these provisions.

The changes in this legislation may expand the number of beneficiaries eligible for full-time employment since the needs will be set by each of the 180 individual school districts and not by the 16 Regional Education Service Agencies. However, school districts would still be restricted to rehiring teachers who retired with 30 or more years of creditable service and have been retired for at least 12 months. These restrictions should minimize any change in retirement patterns and any beneficiary

rehired under the provisions of this bill will already be receiving a retirement allowance. 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, 2030. 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 behavior 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 House 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 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 House Bill 372 (LC 56 0420S). 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



October 15, 2025

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

HOUSE BILL 372 (LC 56 0420S)

Dear Mr. Griffin:

As requested, we have made an actuarial investigation of the impact of House Bill 372 (LC 56 0420S) 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, 2030, and provides that the highest need to be determined by the public school system rather than the Georgia Regional Educational Service Agency (RESA).

The bill also adds a section to prohibit the termination of employment for any member of TRS based on a change in the public school system's area of highest need.

The requirements to return to work continues to be for teachers who had obtained 30 years of creditable service in TRS in a full-time capacity and that at least one year has expired from the effective date of such teacher's retirement date.

Cost Impacts

This legislation is mainly intended to extend the current return to work window from 2026 to 2030 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. Since the 30 years of creditable service and the one-year wait since retirement requirements continue with this legislation, we don't believe this will alter retirement behavior for current teachers, we believe there is no cost impact to TRS.

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. 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.

Sincerely yours,

Ed Koebel, EA, FCA, MAAA
Chief Executive Officer



EXHIBIT A

TEACHERS RETIREMENT SYSTEM

HOUSE BILL 372 (LC 56 0420S)
 (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.