PENSION PLAN DESIGN OPTIONS

July 14, 2026

PENSION PLAN DESIGN REVIEW

- Contracted with AON in November 2025
  - Plan Review and Benchmarking
  - Employee Perception
  - Assumption Review and Plan Design

PENSION PLAN REVIEW AND BENCHMARKING

- Peer Groups Reviewed
  - Athens-Clarke County
  - Auburn
  - Augusta-Richmond County
  - Savannah
  - Cobb County
  - Dekalb County
  - Gwinnett County
  - Macon-Bibb Cunty
  - Phenix City

PENSION PLAN REVIEW AND BENCHMARKING

- Employees hired before July 1, 2012 have a comparable to slightly better benefit at Normal Retirement compared to local peers
- Employees hired after July 1, 2012 have a comparable to slightly worse benefit at Normal Retirement compared to local peers
- Contributions to the plan are the highest of the peers for General Government (2nd highest for Public Safety) while the multiplier is also one of the highest among peers

EMPLOYEE PERCEPTION – SURVEY

- Employees feel that pay is the most important part of compensation followed by pension
- Increasing the benefit multiplier and lowering the employee contributions were the highest ranked option for plan changes
- Employees generally do not feel that the current benefits will attract and recruit the best employees for new openings

EMPLOYEE PERCEPTION –FOCUS GROUPS

- Participants see the pension as a valuable benefit but have concerns about fairness
- The required 8% contribution for employees hired after July 1, 2012 is viewed as high and a barrier
- A strong desire for expanded education on how the pension works, the Pension Gold system and options at retirement

PLAN DESIGN CONSIDERATIONS

- Increase the multiplier
- Lower employee contributions
- Unreduced benefits at certain service levels
- Lower Normal Retirement Age
- Lower vesting from 10 years to 5 years
- Interest on employee contributions
- Defined contribution plan
- DROP

PLAN DESIGN CHANGE RECOMMENDATIONS – COST ESTIMATES PROVIDED BY ACTUARY

GENERAL GOVERNMENT	Current Plan	Revise Amortization of the Unfunded Liability by 5 years
Change vesting to 5 years	-$88,330	-$2,314,359
Add a 1% Multiplier for each year of service up to between 30 and 40 years	$1,321,142	-$1,334,981
Reduce to 6% Employee contribution for employees hired after July 1, 2012	$1,183,134	-$1,007,651

PLAN DESIGN CHANGE RECOMMENDATIONS – COST ESTIMATES PROVIDED BY ACTUARY

PUBLIC SAFETY	Current Plan	Revise Amortization of the Unfunded Liability by 5 years
Change vesting to 5 years	-$115,818	-$2,906,299
Add a 1% Multiplier for each year of service up to between 30 and 40 years	$1,444,923	-$1,791,432
Reduce to 6% Employee contribution for employees hired after July 1, 2012	$1,171,893	-$1,617,105

PLAN DESIGN CHANGE RECOMMENDATIONS

- Deferred Retirement Option Plan (DROP)
  - Remove the 3 year DROP Suspension for new DROP participants (No Cost to the Pension Plan)

PENSION BOARD ACTION

- On May 13, 2026, the Pension Board received a presentation from its actuary, Chuck Carr on the financial impact to the Pension Plan for the recommended plan revisions.
- The results of the study confirmed that extending the amortization period from 5 years to 10 years would absorb the cost of the recommended plan design changes without increasing the Annual Required Contributions **AS LONG AS ALL OTHER ASSUMPTIONS ARE MET.**
- At the June 17, 2026 Pension Board meeting, the Board passed a motion which approved changing the amortization schedule from 5 years to 10 years.

NEXT STEPS
EFFECTIVE DATE JANUARY 1, 2027

- City Council action by ordinance is required to amend Pension Plan Documents
- Update Pension Plan Administration Software
- Notify all employees of the Pension Plan Changes