



Newsletter

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December 2021

HAPPY NEW YEAR TO OUR MEMBERS!

2022 Legislative Session Begins Jan. 10

The Georgia General Assembly will convene on Monday, January 10, 2022, for the 2022 Regular Session of the 2021-2022 legislative term. This will be the second year of this two-year term. Bills introduced in the 2021 session that were not acted on remain alive for consideration in the 2022 session. During the 40-day session, in addition to advocating for our bills, GSRA monitors all legislative activity for potential impact to state employees and retirees. Bills can be tracked through the General Assembly and the legislative process by visiting the Georgia General Assembly website at: <https://www.legis.ga.gov>

Legislative Affairs Team

GSRA has formed a Legislative Affairs team to propose and effectuate legislative goals, objectives and policies through educating and advising legislators, governors and their staffs, and agency heads. The GSRA legislative team has also taken the lead in forming coalition of both ERS and TRS active and retired employees' organizations to address issues of importance to all organizations in pension, health insurance, and tax matters.

GSRA's legislative actions are truly a team effort. The team includes the GSRA officers and board, the Legislative Affairs Committee (the committee), and, since 2015, our contracted lobbyist (legislative liaison). The board establishes policy which can be advanced by any member but typically is proposed by a committee member, discussed with the legislative liaison, and communicated to the GSRA president and board by the committee chair. The committee chair serves as the conduit between the board and the legislative liaison who takes the lead in advising committee members and carrying out the strategies. Committee members and other GSRA members also interact with legislators when opportunity presents itself.

Prior to 2014 GSRA's legislative activities were carried out solely by volunteers. In that year, GSRA realized that the organization could not continue to rely solely on volunteer efforts to effectively push its goals through the legislative process. The annual meeting in 2014 approved the hiring of a professional lobbyist, preferably one who had extensive contacts with legislators. GSRA struck a gold mine in 2015 with the engagement of Charles C. (Chuck) Clay, an individual known, respected and given access by the vast majority of legislators. Chuck is with the Atlanta law firm Hall Booth Smith (HBS), P.C., specializing in government affairs and transportation. Most recently, he has been on HBS's Coronavirus Task Force assisting businesses, schools and governments grapple with these unprecedented times and challenges. Also, Chuck serves as an Adjunct Professor of Political Science at Kennesaw State University.

Chuck joined HBS after a long career in public service in the Georgia State Senate, where he represented the 37th District for six terms and served as Senate Republican Leader. In 1999, Chuck was elected Chairman of the Republican Party of Georgia, leading the GOP's efforts through the 2000 election cycle and George W. Bush's victory in Georgia.

Chuck is a former Assistant District Attorney for Cobb County, and in 1986 he became the first Republican ever elected to the Cobb County Board of Commissioners from the Western District.

Chuck has annually brought with him interns who have been invaluable in identifying bills of interest to GSRA and tracking the bills' status throughout legislative sessions. GSRA is delighted to have Chuck representing us at the Capitol!

GSRA's committee has been chaired by Chuck Freedman since 2013. Chuck served with the previous committee chair, former OPB director Bill Tomlinson, beginning with GSRA's formation. The team now includes outgoing GSRA president Jim Sommerville, Joseph Drolet, and Dan Coffee.

Action Alerts and What We Can Do

As GSRA members, we can support the Legislative Affairs team by getting to know and contacting our local legislators to support efforts to pass legislation beneficial to GSRA membership and, when necessary, to oppose legislation with potential negative impacts to our membership. You can find out who they are and their contact information by going to the GSRA website at www.mygsra.com and clicking on the House and Senate contact information links shown at the top of the Homepage. Personal visits and telephone calls are much more persuasive than messages and letters, although those do

help. Over the coming weeks watch for **Action Alerts** from GSRA as developments unfold in this legislative session.

2022 State Elections Nearing

The General Primary Election/Non-Partisan General Election Date is May 24, 2022, less than five months away! Advanced (Absentee In-Person) Voting begins May 2nd. As a reminder, GSRA cannot support any candidate, but its members can, and GSRA publicizes candidates' positions extensively and often.

Beware of the ERS/TRS COLA Misconceptions

Recently an article appeared in the Atlanta Journal-Constitution concerning the results of the Actuarial Investigation of SB167. The article repeated an often told but inaccurate story concerning the reason why TRS retirees receive an annual COLA and ERS retirees do not. According to the article, the TRS COLAs are pre-funded and the ERS COLAs are not because the TRS active members contribute a higher percentage of their salary than do ERS active members.

While it is true that the TRS COLAs are pre-funded and the ERS COLAs are not pre-funded, it is not because of the difference in contribution rates (more on that later). To understand why TRS COLAs are pre-funded and ERS COLAs are not, we have to go back to the late 1960's.

In the late 1960's, the *Official Code of Georgia, Annotated* was amended to authorize the ERS Board of Trustees and the TRS Board of Trustees to grant post benefit adjustments (AKA COLAS) to their retirees to ensure that the purchasing power of their pensions did not diminish over time. What happened next is critical to better understanding the issue of pre-funded COLAS. In response to the new law, the TRS Board of Trustees voted to authorize an annual 3% COLA. They also voted to include the cost of the COLAs in the Actuarial Determined Employer Contribution Rate

(ADEC) and to permanently leave it in the ADEC. This second action essentially "baked" the cost of the COLAs in the ADEC. Hence the COLAs were pre-funded.

Unfortunately, the ERS Board of Trustees did not follow suit. While they did vote to authorize a 3% COLA for the first year, they did not vote to include it in the ADEC. Consequently, the ERS Board of Trustees votes annually on whether to grant a COLA and then takes a separate vote to include it in the ADEC.

There are two things to take note of concerning these actions by the ERS and TRS Boards. First is that the cost of the TRS COLA is borne largely by the Employer as part of the ADEC and not by the employee as part of their contribution to their pension fund. The employer in this case includes the State of Georgia, since the University System of Georgia employees are covered by the TRS. So yes, the State of Georgia annually provides adequate funds to the TRS to ensure that TRS retirees receive an annual 3% COLA.

The second item to take note is that the actual cost of the COLAs awarded to TRS retirees is part of the ADEC. However, in the case of ERS, the cost of awarding a COLA would have to be requested not as part of the ADEC but as a separate budget request in addition to the request for

funding to meet the ADEC. As part of maintaining the State of Georgia's excellent bond rating, the state has always appropriated sufficient funds to pay the required ADEC for each of their retirement systems. However, since the cost of a COLA is not included in the ERS ADEC budget request, the cost of the COLA would be considered as a separate appropriation to the ERS. It is very hard to find an extra \$523 million in the budget after the Governor has submitted his budget to the General Assembly. That is one of the many challenges GSRA is facing in advocating for a COLA for state retirees.

To explain why there appears to be a difference in percentage between what a TRS member contributes to their retirement compared to what an ERS member contributes to their retirement, we need to explain another decision by the State of Georgia. In 1980 or 1981, the State of Georgia devised a proposal by which the state, in lieu of paying a salary increase to its' employees, would contribute to the

ERS in the employees' name a certain percentage of the employee's contribution to the ERS. The proposal reduced the employees' contribution percentage to its current level. The state's proposal was submitted to both the TRS and ERS Board of Trustees. The ERS Board of Trustees agreed (without any input from state employees) to the proposal. The TRS Board of Trustees did not agree to the proposal. So as you can see, there is a valid reason for the difference in the contribution percentage between an ERS member and a TRS member.

The "whys and wherefores" of the ERS COLAs are complicated, but we believe that our members deserve an objective explanation of the funding structure and legislative actions that impact our retirement benefits. We hope this clarifies the somewhat misleading information you may have read recently.

ERS December Board Meeting Recap

The ERS Board met for their bi-monthly meeting on December 16, with GSRA following. The major items of interest discussed or voted on included:

- The FY'22 Return on Investment (ROI) is currently 3.9%
- Employer Contributions are fully paid and up to date
- The number of Active Plan Members continues to decline, falling from 53,000 to 52,500
- The retiree population is currently at 54,297
- Governor Kemp has nominated Rhonda Wilson to fill the vacant position on the ERS Board that was created with the retirement of ERS Board member Lonice Barrett. Ms. Wilson is currently an employee of the Governor's Office, serving as a paralegal. Ms. Wilson is an active member of ERS.
- By unanimous vote, approved a motion to increase ERS Executive Secretary Jim Potvin's salary from \$168,779 to \$210,974, effective March 1, 2022. According to ERS Board documents, Mr. Potvin's current salary was approximately 25% below market rate. This new salary bump will put him at market rate.

The next bi-monthly meeting of the ERS Board will be held on February 17, 2022 at 10:00 am.

GSRA Member Help

For help with all things GSRA, call 770-312-2799 or email help@mygsra.com.

GSRA Strategic Plan Update

After several virtual meetings, the Strategic Planning Committee has finalized the components of the Strategic Plan. We are currently waiting for the Fanning Institute at the University of Georgia to compile the components into a finalized draft Strategic plan. The Fanning Institute's work should be completed by the end of 2021.

It is expected that the draft Strategic plan will be presented to the GSRA Board at its' January meeting. Once the Strategic Plan has been voted on and approved by the Board, it will be presented to the GSRA membership in an upcoming GSRA Newsletter.

The Strategic Planning Committee expresses their thanks to all of the GSRA members who responded to the questionnaire or who were interviewed by the Fanning Institute as part of the Strategic Plan development process.

The Pandemic Abides: *Legislative Day at the Capitol 2022*

With regret, and due to factors beyond our control, we will not hold the Legislative Day at the Capitol events in 2022. The emergence of the Omicron variant of COVID-19, on top of the ongoing impact of the Delta variant, plus an increase in outbreaks of seasonal influenza, are all at play.

The CDC projects a surge in Covid infections as early as January and as late as April 2022. Either scenario is expected to produce a hospitalization surge with increased demand on facilities and staff, due to large numbers of cases occurring in a short period of time. Older adults, even those who have been vaccinated, remain at high risk of Covid infection.

We learned as this newsletter is being readied for publication that only legislators will be able to use the indoor spaces at the Capitol to hold press conferences. The alternatives presented to us for our events were to meet at Liberty Plaza (outside) or in the Plaza Level of the Floyd Building. Neither would position us for an enjoyable event for members, adequate indoor space, nor an opportunity to interact with legislators. On a more positive note, we still are planning to present GSRA's Legislative Service

Awards to this year's honorees at some point during the Session if the opportunity presents. We will let you know more as those plans come together.

Despite all the challenges, it is important for us to continue to communicate with our Senators and Representatives over the holidays while they are at home in their districts. Telephone calls and personal visits seem to be the most effective and impactful contacts, but *anything* you do – sending a letter or an email – matters and counts. Let's keep telling our story and advocating for the restoration of our COLA when the Legislative Session gets underway in January.

Thanks to Laura Pike, our Event Planner, and to Susan Boatwright, with Georgia Professional Human Services Association, for their advance work in an uncertain situation. Thanks to all of our members and partners for your support during these challenging and changing times.

Best wishes to all for health and well-being during this Holiday Season and in the New Year ahead.



Jim's View: My Final View

By the time you read this newsletter, my term as President will be in its' final hours. It has been a privilege to serve as President of GSRA.

A President cannot be effective without the support of the GSRA Board and the general membership of GSRA. I want to thank you for your support of me and the GSRA Board during my term as President.

One thing I learned as President is that the GSRA Board is comprised of very hardworking, focused and talented men and women. They certainly made being President a much easier job. I thank them for their willingness to serve on the GSRA Board.

Whatever I was able to accomplish during my time as President was built on the foundation set by the previous GSRA Presidents and Boards. I thank them for their work in getting GSRA to the point of being an effective and impactful advocate for retired state employees.

Lastly, I am excited to watch GSRA continue to grow and become an even more effective advocate for retired state employees under the leadership of Beverly Littlefield. I know that with your continued support, GSRA's future is extremely bright.

Happy New Year and best wishes for a great 2022!

Jim

October/November New Members

Name	County		Name	County		Name	County
October			Kathryn McGrady	Newton		Sandra Harrell	Decatur
Bari Allen	Gwinnett		Henrietta Newton	Coffee		Carolyn Jenkins	Quitman
Charles Babb	Rockdale		Debra Pierce	Fulton		Jennifer Manning	Cherokee
Renee Bartik	White		Ellen Tate	Out-of-state		Joseph Maxwell	Ware
Francina Battle	Clayton		Rebecca Waller	Washington		Ronald Moran	Meriwether
Ben Butts	Hancock		Susan White	Henry		Dixie Morris	Banks
Beverly Bynum	Gwinnett		Margaret Williams	Fulton		Consuelo Ravelo	Douglas
Linda Durham	Harris		Rebekah Withrow	Habersham		Robert Royal	Appling
Kathryn Fowler	Clarke		November			James Schank	Douglas
Rebecca Greenway	Gwinnett		Marlene Bishop	Mitchell		James Warner	Brooks
Lewis Hays	Cobb		Nicky Brinkley	Turner		Marsha Zeagler	Effingham
Rebecca Johnson	Chattooga		Sherry Britt	Carroll			
Yvonne King-Depina	Paulding		Sylvia Butts	Baldwin			
Yvonne Little	Gwinnett		Truenell Collier	Bibb			
Howard Massingill	Walker		Roger Denney	Carroll			
Joseph Massingill	Walker		Randy Hallman	Douglas			

Local Chapter News

Southwest Georgia

The Southwest Georgia chapter met December 16th at Albany State University's West Campus with thirteen

members attending. The main agenda item was Senate Bill 167. Discussion topics included challenges the bill will face, the impact the lack of a COLA has had on ERS retirees

and their families, and ideas/suggestions on how to advocate for legislative support.

Other meeting topics and discussions included a GSRA update, the Annual Meeting, and the scheduling of future chapter meetings.

The next chapter meeting is planned for April, 2022.



Donate to GSRA Legal Fund

GSRA's Legal Fund was established as a dedicated legal fund in the event that leadership, on behalf of its members, ever has to retain legal counsel. The fund will be used to cover all appropriate legal fees related to ensuring that retiree benefits are not reduced or eliminated.


Every donation makes a difference. For more information and to donate to this fund click on the link below.

[GSRA Legal Fund](#)

Covid-19 Information

[Georgia Department of Public Health](#)

[Centers for Disease Control \(CDC\)](#)



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APCU serves State and Federal workers, retirees and their families in Georgia. Visit APCU's exhibitor table at GSRA. For more information, visit apcu.com, or call us at (404) 768-4726 or Toll-free at (800) 849-8433.

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This credit union is federally insured by the National Credit Union Administration.

 APCU partners with Member Wealth Management, a financial services program, to help our members with financial planning, investments, insurance, as well as retirement and estate planning strategies.

APCU has invited Shavon Ransom, a Managing Associate with Member Wealth Management, to offer a great workshop, "Money Talk 101", at GSRA. This seminar is designed to facilitate conversations around financial milestones for retirees.

Topics will include:

- ★ The importance of setting financial goals
- ★ Understanding your current financial position
- ★ Preparing for a successful retirement
- ★ Income tax considerations
- ★ What your loved ones need to know



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