Teachers Retirement System of Georgia

A COMPONENT UNIT OF THE STATE OF GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2023

PREPARED BY THE FINANCIAL SERVICES DIVISION OF THE TEACHERS RETIREMENT SYSTEM OF GEORGIA

L.C. (BUSTER) EVANS, Ed.D
EXECUTIVE DIRECTOR

OUR MISSION IS TO...

provide pension education, safeguard plan investments, and efficiently administer retirement benefits.

TABLE OF CONTENTS

Introductory Section

Financial Section

Investment Section

TABLE OF CONTENTS

Actuarial Section

Statistical Section

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Teachers Retirement System of Georgia

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

BOARD OF TRUSTEES

as of June 30, 2023

Ms. Deborah K. Simonds*
CHAIR
Retired Teacher

Elected by the Board of Trustees

Term Expires 6/30/24

Dr. Jason L. Branch*
VICE-CHAIR
Not Employed by the Board of Regents

Appointed by the Governor

Term Expires 6/30/24

Mr. Kenneth Dyer*
School Administrator
Appointed by the Governor

Term Expires 7/01/26

Dr. Marion R. Fedrick, Ed.D.
TRS Member
Appointed by the Board of Regents

Term Expires 6/30/24

Mr. Greg S. Griffin*
State Auditor
Ex-Officio

Mr. Steven N. McCoy
State Treasurer
Ex-Officio

Dr. William G. Sloan, Jr.*

Member-at-Large
Appointed by the Governor

Term Expires 7/01/26

Mr. Christopher M. Swanson

Classroom Teacher
Appointed by the Governor

Term Expires 6/30/24

Mr. Thomas W. Norwood*

Investment Professional
Elected by the Board of Trustees

Term Expires 6/30/26

Ms. Miriam M. Shook

Classroom Teacher
Appointed by the Governor

Term Expires 7/01/26

* Investment Committee Member

L.C. (Buster) Evans, Ed.D.
Executive Director

Teachers Retirement System of Georgia

September 29, 2023
Board of Trustees
Teachers Retirement System of Georgia
Atlanta, Georgia

TRS members and Board of Trustees:

I am pleased to present the Annual Comprehensive Financial Report of the Teachers Retirement System of Georgia (the System) for the fiscal year ended June 30, 2023. Responsibility for both the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with the management of the System. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the System. I trust that you will find this report helpful in understanding your retirement system.

The 2023 fiscal year was filled with new revelations about what business as usual looks like. Our combination of newly automated processes and mix of virtual and in-person offerings has largely changed how we interact with our members. Despite the changes in how our members are served, one thing has remained consistent and that is the quality of service that is provided. I believe that you'll find in this report a reflection of the consideration and effort that is put towards managing the System in an efficient manner. As always, the System has managed to traverse through global macroeconomic challenges to effectively administer retirement benefits for its members.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Teachers Retirement System of Georgia for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the 35th consecutive year that the System has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

History and Overview

The System was created in 1943, by an act of the Georgia General Assembly to provide retirement security to those individuals who choose to dedicate their lives to educating the children of the State of Georgia, and began operations in 1945. A summary of the System's plan provisions is provided on pages 11-12 of this report.

The System is governed by a ten-member Board of Trustees (the Board) which appoints the Executive Director who is responsible for the administration and operations of the System, which serves 521,509 active and retired members, and 322 employers.

Financial Information

The management of the System is charged with the responsibility of maintaining a sound system of internal accounting controls. The objectives of such a system are to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations, and that they are recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived. Therefore, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Even though there are inherent limitations in any system of internal control, the management of the System makes every effort to ensure that through systematic reporting and internal reviews, errors or fraud would be quickly detected and corrected.

Please refer to Management's Discussion and Analysis beginning on page 15 of this report for an overview of the financial status of the System, including a summary of the System's Fiduciary Net Position, Changes in Fiduciary Net Position, and Investment Allocation.

INVESTMENTS - The System has continued to invest primarily in a mix of liquid, high quality bonds and stocks as it historically has done. This was our 3rd year investing in private markets. Our intention is to build the program in a disciplined manner. These types of investments further diversify the portfolio and allow the System to participate in rising markets, while moderating the risks on the downside. A high quality balanced fund has proven to be a successful strategy in a variety of markets over a long period of time. Despite the multiple challenges the economy faced this fiscal year, the unique blend of events resulted in a strong equity return and a slightly negative bond market return. The time-weighted rate of return is 11.9%, with a 17.0% return for equities, a 10.4% return on private equity (inception date March 2021), and a (0.6)% return for fixed income. A comparative analysis of rates of return, excluding private equity, is presented on page 53. For additional information and analysis pertaining to investment policies and strategies, asset allocations, and yield, see Management's Discussion and Analysis beginning on page 15 and the Investment Section beginning on page 52. The System addresses the safeguarding of investments by requiring that they be held by agent custodial banks in the name of the System and that deposits are insured by the Federal Deposit Insurance Corporation.

As in years past, maintaining quality was a primary goal and was successfully met. "Conservation of Capital" and "Conservatism" continue to be guiding principles for investment decisions. The System continued to use a diversified portfolio to accomplish these objectives. When necessary, actions are taken to adjust the assumed annual rate of return on future investments to prepare for market conditions.

FUNDING - The System's funding policy provides for employee and employer contributions at rates, expressed as a percentage of annual covered payroll, that are sufficient to provide resources to pay benefits when due.

A useful indicator of the funded status of a retirement system is the relationship between the actuarial value of assets and the actuarial accrued liabilities. The System continues to remain strong as evidenced by the ratio of the actuarial value of assets to the actuarial accrued liabilities. This ratio was 80.4% for the fiscal year ended June 30, 2022. The ultimate test of the financial soundness of a retirement system is its ability to pay all promised benefits when due. I am proud to say that through the continued wisdom and the support of Governor Brian Kemp and the Georgia General Assembly, the System has been and will continue to be funded on an actuarially sound basis, thus providing the membership the comfort and security they expect from their retirement system.

Initiatives

Enhancements in our technology along with process improvements made during the fiscal year proved to be beneficial to both our internal and external customers. We continued to prioritize the training and development of the System's employees to position them for internal advancement opportunities. The second cohort of our Leadership Development Institute Program (LDIP) successfully completed their required training and graduated from the program. Several of the program's graduates have transitioned into new roles within the organization. There are over 30 graduates from the first and second cohorts who have developed their leadership skills, strengthened their relationships with colleagues, and expanded their insight into System business processes and are better prepared for promotional opportunities as a result. Not only are we concerned with the professional success of our employees, but we understand that a physically and emotionally healthy employee is a more fulfilled one. Therefore, our 1st Annual TRS 5K Walk, TRS Walking Club, and Wellness Wednesday campaigns were implemented during the fiscal year. These initiatives were designed to encourage improved employee health and wellbeing and to provide outlets for stress relief. To better inform our employees about these and other events, along with agency updates and available training courses, the employee intranet website was redesigned and improved through collaboration among several of our business units.

The TRS Member's Guide was reviewed by each of our business units and was subsequently comprehensively revised based on updates to policies since the last guide was created. For the first time, this publication was made available in an electronic-only format. Mindful of the of ever-increasing costs of goods, in addition to the ease of accessibility of our website to our membership, this move saved substantial expense to the System. We also made improvements to the membership website experience when accessing this information. The guide was uploaded to our website in a clickable and searchable format to make it easier to navigate. Keeping our members informed about TRS policy continues to be vitally important. Therefore, a campaign titled TRS Cares was launched to further educate the public about the policies that govern how TRS benefits are distributed to beneficiaries. As a result of this campaign, active member beneficiary changes were the most commonly completed self-service action on our website during the fiscal year.

TRS staff conducted a total of 8,708 counseling sessions in the System's office locations and throughout the state at outreach events. This result included virtual options for presentations and counseling sessions; however, face-to-face sessions were still in high demand. As many as 80% of the outreach events consisted of in-person workshops, seminars, and counseling sessions. Even so, our on-demand content participation continued to demonstrate sustained growth. The System's Facebook and YouTube channels alone made 242,494 impressions, more than double prior year results.

System resources are readily available through the use of our website, social media platforms and in-person events; however, we recognize that telephone access remains a much-desired option. Therefore, a Customer Service Innovations Task Force was created to collectively address the topics that most impact the call center. Representatives from several business units met to discuss strategies to efficiently answer member questions and provide alternative resources for information.

Anticipating a possible increase in contracts submitted from TRS employers for rehired retirees, we continued to improve upon the auto-approval process implemented by our Retirement Services division. As of June 30, 2023, we had processed 84% of submitted contracts by auto-approval, a process that can be completed in less than 10 minutes. The manual process would have taken several business days for each contract.

The Information Technology Division (IT) was instrumental in the successful implementation of the initiatives described above. The transition from manual to automated processes and the conversion to digital formats for delivery of communications requires partnership between IT and all our other business units. Due to the growing digital presence of the System, cyber security remains at the forefront of our objectives. We expanded two-factor authentication access to our members by allowing the use of mobile phone authentication applications. DropBox Sign has been deployed to enhance security and provide faster service on many online member forms. Our Georgia Technology Authority BitSight security rating of 800 maintains the System's excellent security rating and its placement in the "Advanced" category for cyber security. Finally, we are pleased to report that the System maintained 100% uptime for line-of-business systems including our Pension Administration Services Solution (PASS) and Microsoft Dynamics GP.

Other Information

INDEPENDENT AUDIT - The Board requires an annual audit of the financial statements of the System by independent, certified public accountants. The accounting firm of KPMG LLP was selected by the Board. The independent auditors' report on the S*tatement of Fiduciary Net Position* and the related *Statement of Changes in Fiduciary Net Position* is included in the Financial Section of this report.

ACKNOWLEDGMENTS - The compilation of this report reflects the combined effort of the staff under the leadership of the Board. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a means for determining responsible stewardship of the assets contributed by the System's members, their employers, and the State of Georgia.

Copies of this report can be obtained by contacting the System, or may be downloaded from the System's website.

I would like to take this opportunity to express my gratitude to Governor Brian Kemp, members of the Georgia General Assembly, the staff, the advisors, and to the many people who have worked so diligently to ensure the successful operation of the System.

Sincerely,

L.C. Evans

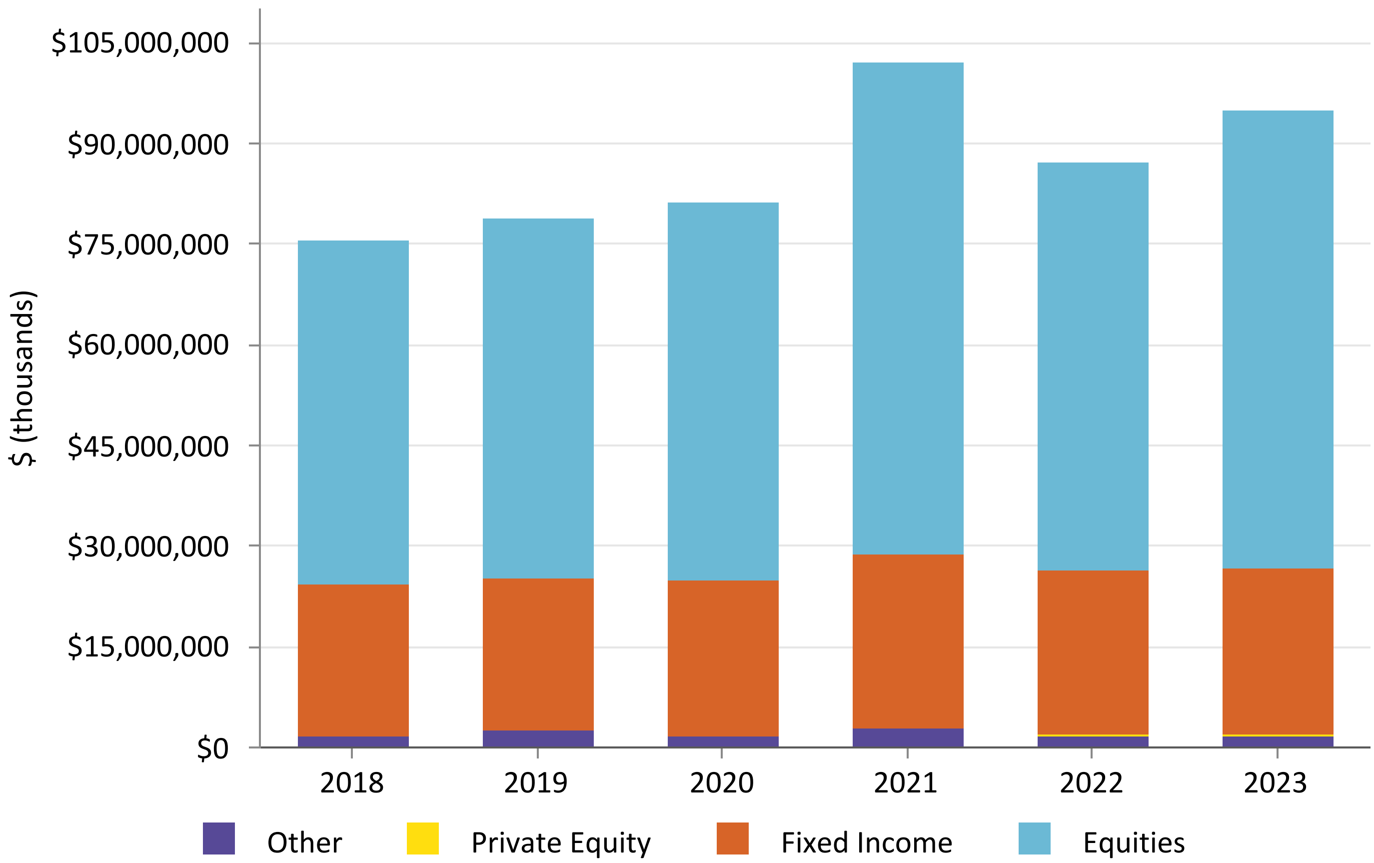
L.C. (Buster) Evans, Ed.D.
Executive Director

Financial & Statistical Highlights

	June 30, 2023	June 30, 2022	% Change
Financial Highlights (dollars in thousands)			
Member Contributions	$ 911,542	$ 853,376	+6.8
Employer and Nonemployer Contributions	$ 2,929,096	$ 2,696,714	+8.6
Interest and Dividend Income	$ 1,964,858	$ 1,840,676	+6.7
Benefits Paid to Retired Members	$ 5,957,380	$ 5,692,032	+4.7
Refunds of Member Contributions	$ 89,460	$ 94,853	-5.7
Interest Credited to Member Contributions	$ 436,192	$ 417,314	+4.5
Statistical Highlights			
Active Membership	235,912	230,344	+2.4
Members Leaving the System	7,409	8,154	-9.1
Retired Members	148,063	144,047	+2.8
Average Monthly Benefit	$ 3,353	$ 3,293	+1.8

Total System Assets at June 30 (dollars in thousands)

	2018	2019	2020	2021	2022	2023
Equities	$51,181,613	$53,433,296	$56,198,730	$73,188,525	$60,694,882	$68,386,851
Fixed Income	22,564,510	22,684,318	23,218,154	25,863,109	24,421,017	24,550,200
Private Equity	—	—	—	50,450	214,651	450,255
Other[1]	1,856,129	2,772,805	1,831,024	3,109,708	1,885,266	1,716,076
Total System Assets	$75,602,252	$78,890,419	$81,247,908	$102,211,792	$87,215,816	$95,103,382



[1] Includes cash and equivalents, receivables, net OPEB asset, and capital assets, net.

ADMINISTRATIVE STAFF & ORGANIZATION

as of September 30, 2023

Dr. L.C. (Buster) Evans
Executive Director

Laura L. Lanier
Chief Financial Officer

Charles W. Cary, Jr.
Chief Investment Officer
Investment Services

R. Cory Buice
Director
Retirement Services

K. Paige Donaldson
Director
Employer Services & Contact Management

Winston Buckley
Director
Communications & Outreach

Dina N. Jones
Director
Member Services

Sonya Kinley
Chief Human Resources Officer
Human Resources

Eddy A. Hicks
Controller
Financial Services

Tom McMurry
Chief Information Officer
Information Technology

Consulting Services

Actuary

Cavanaugh Macdonald
Consulting, LLC

Auditor

KPMG LLP

Medical Advisors

Laura Stubbs Fay, M.D. Albany, Georgia
Pedro Garcia, M.D. Atlanta, Georgia
Howard McMahan, M.D. Marietta, Georgia
Quentin Pirkle, M.D. Ellijay, Georgia
Harold Sours, M.D. Avondale Estates, Georgia
Joseph W. Stubbs, M.D. Albany, Georgia
H. Rudolph Warren, M.D. Dunwoody, Georgia

Investment Advisors*

Albritton Capital Management
Barrow, Hanley, Mewhinney & Strauss
Cooke & Bieler
Fisher Investments
Mondrian Investment Partners Limited
Sands Capital Management
WCM Investment Management

* See page 54 in the Investment Section for a summary of fees paid to Investment Advisors.

Purpose

The Teachers Retirement System of Georgia (the System) was established in 1943, by an act of the Georgia General Assembly for the purpose of providing retirement allowances and other benefits for teachers of the State, and began operations in 1945. The System has the power and privileges of a corporation and the right to bring and defend actions.

The major objectives of the System are (1) to pay monthly benefits due to retirees accurately and in a timely manner, (2) to soundly invest retirement funds to ensure adequate financing for future benefits due and for other obligations of the System, (3) to accurately account for the status and contributions of all active and inactive members, (4) to provide statewide educational and counseling services for System members, and (5) to process refunds due to terminated members.

Administration

State statutes provide that the administration of the System be vested in a ten-member Board of Trustees (the Board) comprised as follows:

Ex-officio members:

- the State Auditor
- the State Treasurer

Governor's appointees:

- two active members of the System who are classroom teachers and not employees of the Board of Regents
- one active member of the System who is a public school administrator
- one active member of the System who is not an employee of the Board of Regents
- one member-at-large

Board of Regents appointee:

- one active member of the System who is an employee of the Board of Regents

Trustee appointees:

- one member who has retired under the System
- one individual who is a citizen of the State, not a member of the System, and experienced in the investment of money

A complete listing of the current members of the Board is included on page 4 of this report.

Management of the System is the responsibility of the Executive Director who is appointed by the Board and serves at its pleasure. On behalf of the Board, the Executive Director is responsible for the proper operation of the System, engaging such actuarial and other services as shall be necessary to transact business, and paying expenses necessary for operations. A listing of the administrative staff is included on page 10 of this report.

Membership

All personnel employed in a permanent status position, and not less than one-half time, with local boards of education, charter schools, universities and colleges, technical colleges, Board of Regents, county and regional libraries, Regional Educational Service Agencies, and certain State of Georgia agencies are required to be members as a condition of employment. Exceptions to TRS membership include employees required to participate in another Georgia retirement plan or employees who may elect the Board of Regents Optional Retirement Plan in lieu of TRS membership.

Eligibility

Service Retirement

Active members may retire and elect to receive monthly retirement benefits after one of the following conditions: 1) completion of 10 years of creditable service and attainment of age 60, or 2) completion of 25 years of creditable service.

Disability Retirement

Members are eligible to apply for monthly retirement benefits under the disability provision of the law if they are an active member, have at least 10 years of creditable service, and are permanently disabled.

The Formula

Normal Retirement

Any member who has at least 30 years of creditable service or who has at least 10 years of creditable service and has attained age 60 will receive a benefit calculated by using the percentage of salary formula. Simply stated, two percent (2%) is multiplied by the member's years of creditable service established with the System, including partial years (not to exceed 40 years). The product is then multiplied by the average monthly salary for the two highest consecutive membership years of service. The resulting product is the monthly retirement benefit under the maximum plan of retirement.

Early Retirement

Any member who has not reached the age of 60 and has between 25 and 30 years of creditable service will receive a reduced benefit. The benefit will be calculated using the percentage of salary formula explained above. It will then be reduced by the lesser of 1/12 of 7% for each month the member is below age 60 or 7% for each year or fraction thereof the member has less than 30 years of creditable service. The resulting product is the monthly retirement benefit under the maximum plan of retirement.

Disability Retirement

Disability retirement benefits are also calculated using the percentage of salary formula explained above. The resulting product is the monthly disability retirement benefit under the maximum plan. You must have at least 10 years of creditable service to qualify; however, there is no age requirement for disability retirement.

Plan A - Maximum Plan of Retirement

This plan produces the largest possible monthly benefit payable to the member only during his or her lifetime. There are no survivorship benefits under this plan.

Plan B - Optional Plans of Retirement

Upon retirement, a member of the System may elect one of six optional plans that provide survivorship benefits. The election of an optional form of payment is made upon application for retirement and it becomes irrevocable upon distribution of the first benefit check. The six options are as follows:

Option 1

The retiring member accepts a relatively small reduction from the maximum monthly benefit in order to guarantee to the estate, beneficiary, or beneficiaries named on the retirement application, a lump-sum refund of any remaining portion of member contributions and interest.

Option 2

This plan offers the retiring member a reduced monthly benefit, based on the ages of the member and the beneficiary, payable for life. It further provides a guarantee to the surviving named beneficiary that, at the death of the retired member, the beneficiary will receive the same basic monthly retirement allowance the member received at the date of retirement plus any cost-of-living increases the member received up to the time of death.

Option 2 Pop-Up

Any member may elect a reduced retirement allowance to be designated Option 2 Pop-Up with the provision that if the beneficiary dies prior to the retiree that the basic benefit payable to the retiree shall increase to an amount the retiree would have received under Plan A - Maximum Plan.

Option 3

This plan of retirement offers a reduced monthly benefit that is based on the ages of the member and the beneficiary. The resulting benefit is paid to the retired member for life, with the guarantee to the surviving named beneficiary that at the time of the retired member's death, the beneficiary will receive a payment for life of one-half of the initial monthly benefit received by the member at the time of retirement plus one-half of any cost-of-living increases the member received up to the time of death.

Option 3 Pop-Up

Any member may elect a reduced retirement allowance to be designated Option 3 Pop-Up with the provision that if the beneficiary dies prior to the retiree, the basic benefit payable to the retiree shall increase to the amount the retiree would have received under Plan A - Maximum Plan.

Option 4

This option offers a reduced monthly lifetime benefit in exchange for the flexibility to designate a specific dollar amount or percentage of your monthly benefit to be paid to your beneficiary after your death. The beneficiary benefits you specify under this plan cannot cause your monthly benefit to be reduced below 50% of the maximum benefit available to you. If multiple beneficiaries predecease you, the dollar amounts for the percentages are not adjusted. Beneficiaries also receive a prorated share of any cost-of-living increases you received up to the date of death.

Partial Lump-Sum Option Plan

TRS offers a Partial Lump-Sum Option Plan (PLOP) at retirement. In exchange for a permanently reduced lifetime benefit, a member may elect to receive a lump-sum distribution in addition to a monthly retirement benefit. The age of the member and plan of retirement are used to determine the reduction in the benefit.

A member is eligible to participate in the PLOP if he or she meets the following criteria. A member must:

- have 30 years of creditable service or 10 years of creditable service and attain age 60 (not early retirement).
- not retire with disability benefits.

At retirement, a member may elect a lump-sum distribution in an amount between 1 and 36 months of his or her normal monthly retirement benefit. This amount will be calculated under Plan A - Maximum Plan of Retirement and will be rounded up or down to be a multiple of $1,000. If a PLOP distribution is elected, the monthly benefit is actuarially reduced to reflect the value of the PLOP distribution. The combination of both the PLOP distribution and the reduced benefit are the same actuarial value as the unreduced normal benefit alone.

Financing the System

The funds to finance the System come from member contributions, 6.00% of annual salary; employer contributions, 19.98% of annual salary; and investment income.

KPMG LLP
Suite 2000, 303 Peachtree Street, NE
Atlanta, GA 30308
www.kpmg.com

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Teachers Retirement System of Georgia (the System), a component unit of the State of Georgia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System as of June 30, 2023, and the changes in its fiduciary net position for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 15-18 and the schedule of changes in employers' and nonemployer's net pension liability, schedule of employers' and nonemployer's net pension liability and related ratios, schedule of employer and nonemployer contributions, schedule of investment returns, schedule of the System's proportionate share of the net pension liability to ERS, schedule of the System's contributions to ERS, schedule of the System's proportionate share of the net OPEB liability (asset), schedule of the System's contributions to OPEB plans, and the notes to required supplementary information on pages 44-50 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The schedule of administrative expenses and schedule of investment expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory, investment, actuarial, and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

KPMG LLP

Atlanta, Georgia
September 29, 2023

This section provides a discussion and analysis of the financial performance of the Teachers Retirement System of Georgia (the System) for the year ended June 30, 2023. The discussion and analysis of the System's financial performance is within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

The following highlights are discussed in more detail later in this analysis:

- At June 30, 2023, the System's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $95.0 billion (reported as net position) as compared to the net position of $87.1 billion at June 30, 2022, representing an increase of $7.9 billion, or 9.0%.
- Contributions from members increased by $58.1 million or 6.8% from $853.4 million in 2022 to $911.5 million in 2023. Employer and nonemployer contributing entity (Nonemployer) contributions increased by $232.4 million or 8.6% from $2.7 billion in 2022 to $2.9 billion in 2023. The increase in member contributions is primarily due to an increase in the number of active members and higher average member payroll during the year. The increase in employer contributions is primarily due to a slight increase in the employer contribution rate, an increase in the number of active members, and higher average member payroll during the year.
- Pension benefits paid to retirees and beneficiaries for the years ended June 30, 2023, and 2022 were $6.0 billion and $5.7 billion, respectively, representing an increase of 4.7%. This is due to an increase in the number of retirees and beneficiaries receiving benefit payments and postretirement benefit adjustments.

Overview of the Financial Statements

The basic financial statements include (1) the *Statement of Fiduciary Net Position*, (2) the *Statement of Changes in Fiduciary Net Position*, and (3) notes to the financial statements. The System also includes in this report additional information to supplement the financial statements.

The System prepares its financial statements on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). These statements provide information about the System's overall financial status.

In addition, the System presents eight required supplementary schedules, which provide historical trend information about the plan. Four of these schedules are presented from the perspective of the System reporting as the plan and include (1) a *Schedule of Changes in Employers' and Nonemployer's Net Pension Liability*; (2) a *Schedule of Employers' and Nonemployer's Net Pension Liability and Related Ratios*; (3) a *Schedule of Employer and Nonemployer Contributions*; and (4) a *Schedule of Investment Returns*. Four schedules are presented from the perspective of the System reporting as the employer for its employees who participate in either the Employees' Retirement System of Georgia (ERS), the State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund (SEAD-OPEB), or the Georgia State Employees Postemployment Benefit Fund (State OPEB) and include (1) a *Schedule of the System's Proportionate Share of the Net Pension Liability to ERS*; (2) a *Schedule of the System's Contributions to ERS*; (3) a *Schedule of the System's Proportionate Share of the Net OPEB Liability (Asset)*; and (4) a *Schedule of the System's Contributions to OPEB Plans*.

The Statement of Fiduciary Net Position

The *Statement of Fiduciary Net Position* presents information that includes all of the System's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the balance reported as and representing the Net Position Restricted for Pensions. This statement is presented on page 19.

The Statement of Changes in Fiduciary Net Position

The *Statement of Changes in Fiduciary Net Position* reports how the System's net position changed during the fiscal year. The additions and the deductions to net position are summarized in this statement. The additions include contributions and investment income, which includes the net increase (decrease) in the fair value of investments. The deductions include benefit payments, refunds of member contributions, and administrative expenses. This statement is presented on page 20.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the System's financial statements. The notes to the financial statements begin on page 21 of this report.

Required Supplementary Information

A brief explanation of the eight required schedules found beginning on page 44 of this report follows:

Schedule of Changes in Employers' and Nonemployer's Net Pension Liability: This schedule presents historical trend information for the last ten consecutive fiscal years about the changes in the net pension liability and includes the beginning and ending balances of the total pension liability and the plan's fiduciary net position, the net pension liability, and the effects of certain changes on those items.

Schedule of Employers' and Nonemployer's Net Pension Liability and Related Ratios: This schedule presents historical trend information for the last ten consecutive fiscal years about the net pension liability and includes total pension liability, the plan's fiduciary net position, net pension liability, covered payroll, and the ratios of fiduciary net position to total pension liability and net pension liability to covered payroll.

Schedule of Employer and Nonemployer Contributions: This schedule presents historical trend information for the last ten consecutive fiscal years about the actuarially determined contributions of employers and nonemployer and the contributions made in relation to the requirement.

Schedule of Investment Returns: This schedule presents historical trend information for the last ten consecutive fiscal years about the annual money-weighted rate of return on plan investments, net of plan investment expense.

Schedule of the System's Proportionate Share of the Net Pension Liability to ERS: This schedule presents historical trend information about the System's proportionate share of the net pension liability for its employees who participate in the ERS plan. This trend information will be accumulated to display a 10-year presentation.

Schedule of the System's Contributions to ERS: This schedule presents historical trend information about the System's contributions for its employees who participate in the ERS plan. This trend information will be accumulated to display a 10-year presentation.

Schedule of the System's Proportionate Share of the Net OPEB Liability (Asset): This schedule presents historical trend information about the System's proportionate share of the net OPEB liability (asset) for its employees who participate in the State OPEB plan or the SEAD-OPEB plan. This trend information will be accumulated to display a 10-year presentation.

Schedule of the System's Contributions to OPEB Plans: This schedule presents historical trend information about the System's contributions for its employees who participate in the State OPEB and/or SEAD-OPEB plans. This trend information will be accumulated to display a 10-year presentation.

Financial Analysis of the System

A summary of the System's net position at June 30, 2023 and 2022 is as follows:

Summary of TRS Fiduciary Net Position (dollars in thousands)

	Net position June 30,		Amount change	Percentage change
	2023	2022		
Assets:				
Cash and cash equivalents and receivables	$ 1,703,880	1,872,127	(168,247)	(9.0)%
Investments	93,387,306	85,330,550	8,056,756	9.4
Net OPEB asset	4,389	6,832	(2,443)	(35.8)
Capital assets, net	7,807	6,307	1,500	23.8
Total assets	95,103,382	87,215,816	7,887,566	9.0
Deferred outflows of resources	27,070	14,230	12,840	90.2
Liabilities:				
Due to brokers and accounts payable	78,995	59,337	19,658	33.1
Net pension liability	51,956	17,962	33,994	189.3
Net OPEB liability	3,648	2,151	1,497	69.6
Total liabilities	134,599	79,450	55,149	69.4
Deferred inflows of resources	4,658	27,737	(23,079)	(83.2)
Net position	$ 94,991,195	87,122,859	7,868,336	9.0

The $7.9 billion, or 9.0%, increase in net position from 2022 to 2023 is primarily due to positive equity market returns.

The following table presents the investment allocation at June 30, 2023 and 2022:

Investment Allocation

	2023	2022
Asset allocation at June 30 (in percentages):		
Equities:		
Domestic	57.1 %	55.4 %
International	16.1	15.7
Private equity	0.5	0.3
Domestic obligations:		
US treasuries	18.6	21.5
Corporate and other bonds	7.3	6.7
International obligations:		
Corporates	0.4	0.4
Asset allocation at June 30 (dollars in thousands):		
Equities:		
Domestic	$ 53,366,426	47,305,329
International	15,020,425	13,389,553
Private equity	450,255	214,651
Domestic obligations:		
US treasuries	17,356,194	18,323,134
Corporate and other bonds	6,827,448	5,725,411
International obligations:		
Corporates	366,558	372,472
	$ 93,387,306	85,330,550

The total investment portfolio at June 30, 2023 increased $8.1 billion, or 9.4%, from June 30, 2022, which is primarily due to positive equity market returns.

Investment performance is calculated using a time-weighted rate of return using the Daily Valuation Method. The time-weighted rate of return in fiscal year 2023 was 11.9%, with a 17.0% return for equities, a 10.4% return on private equity (inception date March 2021), and a (0.6)% return for fixed income. The five-year annualized rate of return at June 30, 2023 was 7.3% with a 9.4% return on equities and a 1.2% return on fixed income.

A money-weighted rate of return is weighted by the amount of dollars in the fund at the beginning and end of the performance period. A money-weighted rate of return is highly influenced by the timing of cash flows into and out of the fund and is a better measure of an entity or person who controls the cash flows into or out of the fund. The nondiscretionary cash flows for the plan, primarily contributions and benefit payments, have a considerable impact on the money-weighted returns of the portfolio. The money-weighted rate of return for the fiscal year ended June 30, 2023 was 8.6%, compared to (15.2)% for the fiscal year ended June 30, 2022.

A summary of the changes in the System's net position for the years ended June 30, 2023 and 2022 is as follows:

Changes in TRS Fiduciary Net Position (dollars in thousands)

	Changes in net position 2023	Changes in net position 2022	Amount change	Percentage change
Additions:				
Employer contributions	$ 2,923,577	2,691,316	232,261	8.6 %
Nonemployer contributions	5,519	5,398	121	2.2
Member contributions	911,542	853,376	58,166	6.8
Net investment income (loss)	10,097,823	(12,770,564)	22,868,387	179.1
Total additions	13,938,461	(9,220,474)	23,158,935	251.2
Deductions:				
Benefits payments	5,957,380	5,692,032	265,348	4.7
Refunds	89,460	94,853	(5,393)	(5.7)
Administrative expenses, net	23,285	16,470	6,815	41.4
Total deductions	6,070,125	5,803,355	266,770	4.6
Net increase (decrease) in net position	$ 7,868,336	(15,023,829)	22,892,165	152.4

Additions

The System accumulates resources needed to fund benefits through contributions and returns on invested funds. Member contributions were higher with an increase of $58.2 million, or 6.8%, primarily due to an increase in membership salary in 2023 coupled with an increase in active members. Employer contributions were higher with an increase of $232.3 million, or 8.6%, compared to 2022 primarily due to an increase in the employer contribution rate to 19.98% in 2023 from 19.81% in 2022 and increases in membership salaries and the number of active members in 2023. The change in net investment income was primarily due to equity market gains in 2023.

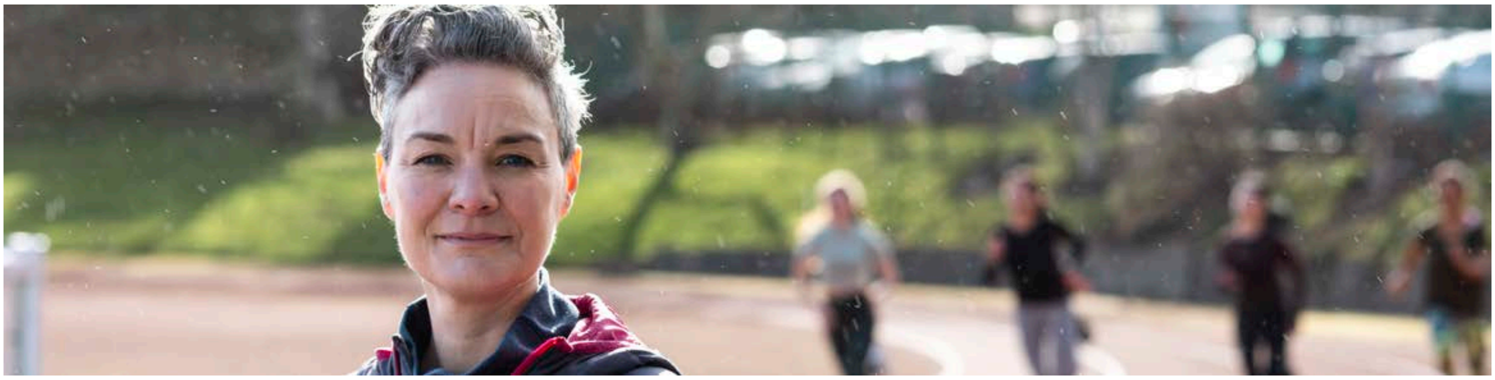
Deductions

Deductions increased $266.8 million, or 4.6%, in 2023, primarily because of the $265.3 million, or 4.7%, increase in benefit payments. Regular pension benefit payments increased due to an increase in the number of retirees and beneficiaries receiving benefit payments from 144,047 in 2022 to 148,063 in 2023, and an increase in postretirement benefits.

Requests for Information

This financial report is designed to provide a general overview of the System's finances for all those with interest in the System's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Teachers Retirement System of Georgia, Two Northside 75, Suite 100, Atlanta, GA 30318.

June 30, 2023 (in thousands)



Assets		
Cash and cash equivalents	$	1,144,866
Receivables:		
Interest and dividends		240,719
Due from brokers for securities sold		7,165
Member and employer contributions		277,557
Securities Lending		32,000
Other		1,573
Total receivables		559,014
Investments - at fair value:		
Equities:		
Domestic		53,366,426
International		15,020,425
Private equity		450,255
Domestic obligations:		
U.S. treasuries		17,356,194
Corporate and other bonds		6,827,448
International obligations:		
Corporates		366,558
Total investments		93,387,306
Net OPEB asset		4,389
Capital assets, net		7,807
Total assets		95,103,382
Deferred Outflows of Resources		27,070
Liabilities		
Accounts payable and other		12,384
Due to brokers for securities purchased		66,611
Net pension liability		51,956
Net OPEB liability		3,648
Total liabilities		134,599
Deferred Inflows of Resources		4,658
Net Position Restricted for Pensions	$	94,991,195

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended June 30, 2023 (in thousands)

Additions:		
Contributions:		
Employer	$	2,923,577
Nonemployer		5,519
Member		911,542
Investment income:		
Net increase in fair value of investments		8,190,872
Interest, dividends, and other		1,964,858
Total investment gain		10,155,730
Less: investment expense		57,907
Net investment income		10,097,823
Total additions		13,938,461
Deductions:		
Benefit payments		5,957,380
Refunds of member contributions		89,460
Administrative expenses, net		23,285
Total deductions		6,070,125
Net increase in net position		7,868,336
Net Position Restricted for Pensions:		
Beginning of year		87,122,859
End of year	$	94,991,195

See accompanying notes to financial statements

1. Plan Description

Teachers Retirement System of Georgia (the System) was created in 1943 by an act of the Georgia Legislature (the Act) to provide retirement benefits for teachers who qualify under the Act. The System administers a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No.67, *Financial Reporting for Pension Plans*. A Board of Trustees (the Board) comprising two appointees of the Board, two ex-officio state employees, five appointees of the Governor, and one appointee of the Board of Regents is ultimately responsible for the administration of the System.

Eligibility and Membership

All teachers in the state public schools, the University System of Georgia (except those professors and principal administrators electing to participate in an optional retirement plan), and certain other designated employees in educational-related work are eligible for membership. There were 322 employers and 1 nonemployer contributing entity participating in the plan during 2023.

Retirement Benefits

As of June 30, 2023, participation in the System is as follows:

Inactive members and beneficiaries currently receiving benefits	148,063
Inactive members not yet receiving benefits, vested	15,949
Inactive members, nonvested	121,585
Active plan members	235,912
Total	521,509

The System provides service retirement, disability retirement, and survivor's benefits. Title 47 of the Official Code of Georgia Annotated (O.C.G.A.) assigns the authority to establish and amend the provisions of the System to the State Legislature. A member is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service.

Normal retirement (pension) benefits paid to members are equal to 2% of the average of the member's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. Early retirement benefits are reduced by the lesser of one-twelfth of 7% for each month the member is below age 60 or by 7% for each year, or fraction thereof, by which the member has less than 30 years of service. It is also assumed that certain cost-of-living adjustments, based on the Consumer Price Index, may be made in future years. Retirement benefits are payable monthly for life. A member may elect to receive a partial lump-sum distribution in addition to a reduced monthly retirement benefit. Options are available for distribution of the member's monthly pension, at a reduced rate, to a designated beneficiary upon the member's death.

Death and Disability Benefits

Retirement benefits also include death and disability benefits, whereby the disabled member or surviving spouse is entitled to receive annually an amount equal to the member's service retirement benefit or disability retirement, whichever is greater. The benefit is based on the member's creditable service (minimum of 10 years of service) and compensation up to the time of disability.

The death benefit is the amount that would be payable to the member's beneficiary had the member retired on the date of death with either a service retirement allowance or a disability retirement allowance, whichever is larger. The benefit is based on the member's creditable service (minimum of 10 years of service) and compensation up to the date of death.

Contributions

The System is funded by member, employer, and nonemployer contributions. The contribution rates are adopted and amended by the Board. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employers by the State of Georgia.

Contributions, as a percentage of covered payroll, required for fiscal year 2023 were based on the June 30, 2020 actuarial valuation as follows:

Member	6.00 %
Employer:	
Normal	7.35 %
Unfunded accrued liability	12.63 %
Total	19.98 %

Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions may be refunded with interest. Member contributions with accumulated interest are reported as net position restricted for pensions.

2. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The System's financial statements are prepared on the accrual basis of accounting. Contributions from the employers, nonemployer, and the members are recognized when due, based on statutory requirements. Retirement and refund payments are recognized as deductions when due and payable.

Reporting Entity

The System is a component unit of the State of Georgia; however, it is accountable for its own fiscal matters and presentation of its separate financial statements. The System has considered potential component units under GASB Statements No. 80, *Blending Requirements for Certain Component Units*, GASB Statement No. 61, *The Financial Reporting Entity's Omnibus – An Amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and determined there were no component units of the System.

Cash and Cash Equivalents

Cash and cash equivalents, reported at cost, include cash in banks and cash on deposit with the investment custodian.

Investments

Investments are reported at fair value and, in some cases, net asset value (NAV) as a practical expedient to fair value. Equity securities traded on a national or international exchange are valued at the last reported sales price. Investments in private investment companies are valued utilizing the NAVs provided by the underlying private investment companies as a practical expedient. The Pooled Investment Fund (the Fund) applies the practical expedient to its investments in private investment companies on an investment by investment basis, consistent with the Fund's entire position in a particular investment, unless it is probable that the Fund will sell a portion of an investment at an amount different from the NAV of the investment. Private equity fair value is measured using the valuation of the underlying companies as reported by the general partner. These investments, in the form of limited partnerships, reflect values and related performance on a quarter-lag basis due to the nature of the investments and the time it takes to value them. The estimated fair value of investments without readily determinable market values could differ significantly if a ready market for these assets existed. Fixed income securities are valued based primarily on quoted market prices provided by independent pricing sources. Global foreign exchange holdings are translated using a third-party vendor. Investment income is recognized as earned by the System. There are no investments in, loans to, or leases with parties related to the System.

The System utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, foreign currency, and overall market volatility risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

The System's policy in regard to the allocation of invested assets is established on a cost basis in compliance with Georgia statute. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the System's adopted asset allocation policy as of June 30, 2023:

Asset Class	Target Allocation
Fixed income	25% - 45%
Equities	55% - 75%
Alternative investments	0% - 5%
Total	100%

Approximately 18.6% of the investments held for pension benefits are invested in debt securities of the US government. The System has no investments in any one organization, other than those issued by the US government, that represent 5% or more of the System's net position restricted for pensions.

For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.6%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Capital Assets

The System has two categories of capital assets which are tangible capital assets and intangible right-to-use subscription assets.

Tangible capital assets are stated at cost less accumulated depreciation. Tangible capital assets costing $5,000 or more are capitalized. These assets are included within Capital assets, net on the *Statement of Fiduciary Net Position*. Depreciation on tangible capital assets is computed using the straight-line method over estimated useful lives of three to forty years. Depreciation expense is included in administrative expenses, net. Maintenance and repairs are charged to administrative expenses when incurred. When tangible assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the *Statement of Changes in Fiduciary Net Position* in the period of disposal. The following table summarizes the estimated useful life by class:

Tangible Capital Asset Class	Estimated Useful Life
Buildings	40 years
Furniture and fixtures	5-7 years
Computer equipment	3-7 years
Computer software	3-10 years

2. Summary of Significant Accounting Policies and Plan Asset Matters, *continued*

Intangible right-to-use subscription assets are assets that convey control of the right to use another entity's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time, in an exchange or exchange-like transaction. For eligible contracts with a term greater than 12 months, the System records intangible right-to-use subscription assets and related subscription liabilities, if applicable, at the commencement date of the contract. The intangible right-to-use subscription asset is calculated from the initial measurement of the subscription liability, plus any payments made to the vendor at or before the commencement of the contract term, plus any applicable implementation costs. The System has adopted a capitalization threshold of $100,000. These assets are included within Capital assets, net on the *Statement of Fiduciary Net Position*. Subscription liabilities represent the System's obligation to make subscription payments and are measured at the present value of expected subscription payments over the contract term. These liabilities are included within Accounts payable and other on the *Statement of Fiduciary Net Position*. When the interest rate is not provided in the contract, the System has elected to calculate the present value using the State's incremental borrowing rate. Amortization of intangible right-to-use subscription assets is computed using the straight-line method over the shorter of the term of the contract or the estimated remaining useful life of the underlying asset. Interest expense is recognized over the contract term. Amortization and interest expenses are included in either Administrative expenses, net or Less investment expense on the *Statement of Changes in Fiduciary Net Position*.

For contracts that contain both a subscription component and a non-subscription component, the components are accounted for separately except when it is not practicable and the System accounts for both components as a single subscription based information technology arrangement (SBITA). Contracts that are entered into at or near the same time with the vendor are considered part of the same contract when the contracts are negotiated as a package with a single objective.

System Employee Pensions and Other Postemployment Benefits (OPEB)

For the plans listed below, for purposes of measuring the net pension liability, net OPEB asset, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the plans and additions to and deductions from the fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value and in some cases NAV as a practical expedient to fair value.

Pensions:

- Employees' Retirement System of Georgia (ERS)

OPEB:

- Georgia State Employees Postemployment Benefit Fund (State OPEB)
- State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund (SEAD-OPEB)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of fiduciary net position and changes therein. Actual results could differ from those estimates.

New Accounting Pronouncements

Pronouncements effective for the 2023 financial statements:

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations* effective for fiscal years beginning after December 15, 2020. In May 2020, the GASB issued Statement No. 95 which changed the effective date for Statement No. 91 to fiscal years beginning after December 15, 2021. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. There are no applicable reporting requirements for the System related to this Statement.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* effective for fiscal years beginning after June 15, 2022. The objective of this Statement is to improve the comparability of financial statements among governments that enter into public-private and public-public partnership arrangements and availability payment arrangements. There are no applicable reporting requirements for the System related to this Statement.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for fiscal years beginning after June 15, 2022. The objective of this Statement is to better meet the informational needs of financial statement users by establishing uniform accounting and financial reporting requirements and improving the comparability of financial statements among governments that have entered into subscription-based information technology arrangements. The System adopted the provisions of GASB Statement No. 96. Contracts identified as SBITAs are included with capital assets, net on the *Statement of Fiduciary Net Position* and are discussed in the Capital Assets sections of Note 2 and Note 5.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. Some of the requirements of this Statement were effective upon issuance, while others were effective for fiscal years beginning after June 15, 2022 and June 15, 2023. The objective of this Statement is to improve the consistency of authoritative literature

2. Summary of Significant Accounting Policies and Plan Asset Matters, *continued*

and enhance the comparability in accounting and financial reporting. The variety of topics to be implemented for fiscal years beginning after June 15, 2022 include requirements related to the determination and classification of leases in Statement No. 87, the determination of the public-private and public-public partnership term and measurement of installment payments in Statement No. 94, and the classification of a SBITA term and recognition and measurement of a subscription liability in Statement No. 96. The topics related to Statement No. 87 have no applicable reporting requirements as the System's leases have been determined to be immaterial for reporting purposes. There are no applicable reporting requirements for the System for topics related to Statement No. 94. The System adopted the reporting requirements for the topics related to Statement No. 96.

Pronouncements issued, but not yet effective:

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*, with various effective dates. Reporting requirements for fiscal years beginning after June 15, 2023 include financial guarantees and classification and reporting of derivative instruments. The objective of this Statement is to improve the consistency of authoritative literature and enhance the comparability in accounting and financial reporting. The System is in the process of evaluating the impact of this pronouncement's requirements on its financial statements.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections — an amendment of GASB Statement No. 62*, effective for fiscal years beginning after June 15, 2023. The objective of this Statement is to improve the clarity of the accounting and financial reporting for accounting changes and error corrections to have greater consistency in reporting. The System is in the process of evaluating the impact of this pronouncement on its financial statements.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, effective for fiscal years beginning after December 15, 2023. The objective of this Statement is to eliminate potential comparability issues between governments that offer different leave types and enhance the relevance and reliability of the liability for compensated absences. The System is in the process of evaluating the impact of this pronouncement on its financial statements.

3. Investment Program

The System maintains sufficient cash to meet its immediate liquidity needs. Cash not immediately needed is invested as directed by the Board. All investments are held by agent custodial banks in the name of the System. State statutes and the System's investment policy authorize the System to invest in a variety of short-term and long-term securities as follows:

Cash and Cash Equivalents

The carrying amount of the System's deposits totaled approximately $1.1 billion at June 30, 2023, with actual bank balances of approximately $1.2 billion. The System's cash balances are fully insured through the Federal Deposit Insurance Corporation, an independent agency of the US government.

The System engages in repurchase and reverse repurchase agreements as part of the securities lending program. The System and the broker exchange cash for direct obligations of the US government or obligations unconditionally guaranteed by agencies of the US government or US corporations. The System or broker promises to repay the cash received plus interest at a specific date in the future in exchange for the same securities.

Short-term securities authorized but not currently used are:

- US Treasury obligations.
- Commercial paper, with a maturity of 180 days or less. Commercial paper is an unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. The System considers for investment only commercial paper of the highest quality, rated P-1 and/or A-1 by national credit rating agencies.
- Master notes, an overnight security administered by a custodian bank, and an obligation of a corporation whose commercial paper is rated P-1 and/or A-1 by national credit rating agencies.

Investments in commercial paper or master notes are limited to no more than $500 million in any one name.

3. Investment Program, *continued*

Investments

Fixed income investments, managed by the Division of Investment Services (the Division), are authorized in the following instruments:

- US and foreign government obligations. At June 30, 2023, the System held US Treasury bonds of approximately $17.4 billion.

- US and foreign corporate obligations. At June 30, 2023, the System held US corporate bonds of approximately $6.8 billion and international corporate bonds of approximately $366.6 million.

- Obligations unconditionally guaranteed by agencies of the US government. At June 30, 2023, the System did not hold agency bonds.

- Private placements are authorized under the same general restrictions applicable to corporate bonds. At June 30, 2023, the System did not hold private placements.

Mortgage investments are authorized to the extent that they are secured by first mortgages on improved real property located in the state of Georgia. Equity securities are also authorized (in statutes) for investment as a complement to the System's fixed income portfolio and as a long-term inflation hedge.

By statute, no more than 75% of the invested assets on a historical cost basis may be placed in equities. Equity holdings in any one corporation may not exceed 5% of the outstanding equity of the issuing corporation. The equity portfolio is managed by the Division in conjunction with independent advisors. Buy/sell decisions are based on securities meeting rating criteria established by the Board; in-house research considering such matters as yield, growth, and sales statistics; and analysis of independent market research. Equity trades are approved and executed by the Division's staff. Common stocks eligible for investment are approved by the Investment Committee of the Board before being placed on an approved list.

3. Investment Program, *continued*

Equity investments are authorized in the following instruments:

- Domestic equities are those securities considered by the O.C.G.A. to be domiciled in the United States. At June 30, 2023, the System held domestic equities of approximately $53.4 billion.

- International equities, including American Depository Receipts (ADR), are not considered by the O.C.G.A. to be domiciled in the United States. At June 30, 2023, the System held ADRs of approximately $7.55 billion and international equities of approximately $7.47 billion.

- Alternative investments are authorized (in statute) to provide portfolio diversification and to enhance the risk-adjusted rate of return for the retirement fund that benefits the members of the System. By statute, the allocation to alternative investments shall not, in the aggregate, exceed 5% of the System's plan assets at any time. Further, in any calendar year, new commitments to alternative investments shall not, in the aggregate, exceed 1.0% of the System's plan assets until the first occurrence that 4.5% of the assets have been invested, at which time there shall be no limit on the percentage of commitments that may be made in any calendar year, subject to compliance with other provisions of the statute. At June 30, 2023, the System held private equity investments of approximately $450.3 million.

Fair Value Measurements: The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the inputs used in valuation and gives the highest priority to unadjusted quoted prices in active markets and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the hierarchy is based on whether the significant inputs into the valuations are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest level, Level 1, is given to unadjusted quoted prices in active markets and the lowest level, Level 3, to unobservable inputs.

Level 1 - Valuations based on unadjusted quoted prices for identical instruments in active markets that the System has the ability to access.

Level 2 - Valuations based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs are observable.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The System also has investments held through limited partnerships for which fair value is estimated using the NAV reported by the general partner as a practical expedient to fair value. Such investments have not been categorized within the fair value hierarchy.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The System's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each investment.

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Equity securities classified in Level 2 are valued using prices quoted for similar instruments in active markets. Equity securities classified in Level 3 are valued using third-party valuations not currently observable in the market.

Debt securities classified in Level 1 are valued using prices quoted in active markets. Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. These securities have nonproprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

3. Investment Program, *continued*

This table shows the fair value leveling of the System's investments (in thousands):

Investments Measured at Fair Value as of June 30, 2023
(dollars in thousands)

	Fair value measures using			
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs	
Investments by fair value level	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities:				
Domestic	$ 53,366,426	$ —	$ —	$ 53,366,426
International	14,783,523	236,902	—	15,020,425
Obligations:				
Domestic:				
US treasuries	17,356,194	—	—	17,356,194
Corporate bonds	—	6,827,448	—	6,827,448
International:				
Corporate bonds	—	366,558	—	366,558
Total investments by fair value level	$ 85,506,143	$ 7,430,908	$ —	$ 92,937,051
Investments measured at NAV*				
Private equity funds				450,255
Total investments				$ 93,387,306

*Certain investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the Statement of Fiduciary Net Position.

3. Investment Program, *continued*

Unfunded commitments, redemption frequency, and redemption notice period relative to the System's alternative investments for which the System utilized NAV or its equivalent relative to the determination of fair value at June 30, 2023, are as follows (in thousands):

	Investments measured at NAV	Unfunded commitments	Redemption frequency (if currently eligible)	Redemption notice period
Private equity funds	450,255	1,160,535	Not Eligible	N/A

Investments in privately held limited partnerships are valued using the NAV provided by the general partner as of March 31 of each fiscal year, adjusted by the System for cash flows through June 30. The quarterly values of the partnership investments provided from the general partner are reviewed by the System to determine if any adjustments are necessary. The types of partnership strategies held include growth equity, leveraged buyouts, and co-investment. Investments typically have an approximate life of 8–10 years. These investments are considered illiquid since the nature of these private investments prohibits redemption with the fund; instead, distributions are received from the general partner through liquidation of the underlying assets of the fund. The System currently has no plans to sell any of the investments prior to their liquidation, resulting in these assets being carried at the NAV estimated by the general partner and adjusted for final quarter cash flows by the System.

***Credit Risk**:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the System. O.C.G.A. 47-20-84 limits investments to investment grade securities. It is the System's investment policy to require that the bond portfolio be of high quality and chosen with respect to maturity ranges, coupon levels, refunding characteristics, and marketability. The System's policy is to require that new purchases of bonds be restricted to high-grade bonds rated no lower than "A" by any nationally recognized statistical rating organization. Obligations of the US government or obligations explicitly guaranteed by the US government are not considered to have credit risk and do not require disclosure of credit quality. The quality ratings of investments in fixed income securities as described by Standard & Poor's and by Moody's Investors Service, which are nationally recognized statistical rating organizations, at June 30, 2023, are shown in the chart on the following page.

3. Investment Program, *continued*

Quality Ratings of Fixed Income Investments held at June 30, 2023 (dollars in thousands)

Investment type	Standard and Poor's/ Moody's quality rating	June 30, 2023 Fair value
Domestic obligations:		
US treasuries		$ 17,356,194
Corporates	AAA/Aaa	1,010,069
	AA/Aaa	763,136
	AA/Aa	1,933,079
	AA/A	752,333
	A/A	1,992,502
	A/Baa	376,329
Total domestic corporates		6,827,448
International obligations:		
Corporates	AA/A	366,558
Total fixed income investments		$ 24,550,200

***Concentration of Credit Risk**:* Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issuer. At June 30, 2023, the System did not have debt or equity investments in any one organization, other than those issued or guaranteed by the US government or its agencies, which represented greater than 5% of total investments.

***Interest Rate Risk**:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. While the System has no formal interest rate risk policy, active management of the bond portfolio incorporates interest rate risk to generate improved returns. This risk is managed within the portfolio using the effective duration method. This method is widely used in the management of fixed income portfolios and quantifies to a much greater degree the sensitivity to interest rate changes when analyzing a bond portfolio with call options, prepayment provisions, and any other cash flows. Effective duration makes assumptions regarding the most likely timing and amounts of variable cash flows and is best utilized to gauge the effect of a change in interest rates on the fair value of a portfolio. It is believed that the reporting of effective duration found in the table below quantifies to the fullest extent possible the interest rate risk of the System's fixed income assets.

Effective Duration of Fixed Income Assets by Security Type (dollars in thousands)

Fixed income type	Fair value June 30, 2023	Percentage of all fixed income assets	Effective duration (years)
Domestic obligations:			
US treasuries	$ 17,356,194	70.7 %	4.4
Corporates	6,827,448	27.8	4.8
International obligations:			
Corporates	366,558	1.5	3.4
Total	$ 24,550,200	100.0 %	4.5

3. Investment Program, *continued*

***Foreign Currency Risk**:* Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The System's currency risk exposures, or exchange rate risks, primarily reside within the System's international equity investment holdings. The System's asset allocation and investment policies allow for active and passive investments in international securities. The System's Board-adopted foreign exchange risk management policy is to minimize risk and protect the investments from negative impact by hedging foreign currency exposures with foreign exchange instruments when market conditions and circumstances are deemed appropriate. Foreign exchange instruments are used to protect the value of noncash investments from currency movements. The System's foreign exchange risk management policy does not quantify limitations on foreign currency-denominated investments. As of June 30, 2023, the System's exposure to foreign currency risk in US Dollars is highlighted in this table:

International Investment Securities at Fair Value as of June 30, 2023 (dollars in thousands)

Currency	Cash & cash equivalents	Equities	Fixed income	Total
Australian Dollar	$ —	$ 245,091	$ —	$ 245,091
Brazilian Real	—	97,777	—	97,777
British Pound Sterling	—	511,372	—	511,372
Canadian Dollar	—	250,850	—	250,850
Chilean Peso	—	14,551	—	14,551
Colombian Peso	—	4,226	—	4,226
Czech Koruna	—	11,609	—	11,609
Danish Krone	—	354,479	—	354,479
Euro	—	1,992,303	—	1,992,303
Hong Kong Dollar	—	898,253	—	898,253
Hungarian Forint	—	8,891	—	8,891
Indian Rupee	144	399,955	—	400,099
Indonesian Rupiah	—	32,716	—	32,716
Israeli Shekel	—	18,734	—	18,734
Japanese Yen	—	994,793	—	994,793
Malaysian Ringgit	—	45,088	—	45,088
Mexican Peso	—	37,699	—	37,699
New Zealand Dollar	—	6,775	—	6,775
Norwegian Krone	—	16,074	—	16,074
Philippine Peso	24	17,695	—	17,719
Polish Zloty	—	25,046	—	25,046
Qatari Riyal	—	17,951	—	17,951
Singapore Dollar	—	92,297	—	92,297
South African Rand	—	67,363	—	67,363
South Korean Won	—	376,960	—	376,960
Swedish Krona	—	334,970	—	334,970
Swiss Franc	—	257,005	—	257,005
Taiwan Dollar	—	226,214	—	226,214
Thai Baht	—	61,845	—	61,845
UAE Dirham	—	50,187	—	50,187
Total holdings subject to foreign currency risk	168	7,468,769	—	7,468,937
Investment securities payable in U.S. dollars	—	7,551,656	366,558	7,918,214
Total international investments - at fair value	$ 168	$ 15,020,425	$ 366,558	$ 15,387,151

4. Securities Lending Program

State statutes and the Board's policies permit the System to lend its securities to broker/dealers with a simultaneous agreement to return the collateral for the same securities in the future. The System is presently involved in securities lending programs or repurchase and reverse repurchase agreements that act as securities lending programs with major brokerage firms. The System lends equity and fixed income securities for varying terms and receives a fee. The System reports the net loan fee income earned as investment income on the *Statement of Changes in Fiduciary Net Position.* During a loan, the System continues to receive dividends and interest as the owner of the loaned securities. The brokerage firms pledge collateral securities consisting of US government and agency securities, mortgage-backed securities issued by a US government agency, corporate bonds, and equities. The collateral value must be equal to at least 102% to 109% of the loaned securities' value, depending on the type of collateral security.

Securities loaned totaled approximately $10.3 billion at June 30, 2023. The collateral value was equal to 103.0% of the loaned securities' fair value at June 30, 2023. The System's lending collateral was held in the System's name by the triparty custodian.

Loaned securities are included in the accompanying *Statement of Fiduciary Net Position* since the System maintains ownership. The related collateral securities are not recorded as assets on the System's *Statement of Fiduciary Net Position*, and a corresponding liability is not recorded, since the System is deemed not to have the ability to pledge or trade the collateral securities. In accordance with the criteria set forth in GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, the System is deemed not to have the ability to pledge or sell collateral securities, since the System's lending contracts do not address whether the lender can pledge or sell the collateral securities without a borrower default, the System has not previously demonstrated that ability, and there are no indications of the System's ability to pledge or sell the collateral securities.

5. Capital Assets

The following is a summary of capital assets and amortization/depreciation information as of June 30 and for the years then ended:

Summary of Capital Assets (dollars in thousands)

	Balance at June 30, 2022	Additions	Disposals	Balance at June 30, 2023
Capital assets:				
Land	$ 4,124	$ —	$ —	$ 4,124
Building	2,800	—	—	2,800
Furniture and fixtures	554	—	—	554
Computer equipment	2,737	717	(245)	3,209
Computer software	14,980	—	—	14,980
Intangible right-to-use subscriptions	—	1,469	—	1,469
	25,195	2,186	(245)	27,136
Accumulated amortization/depreciation for:				
Building	(1,260)	(70)	—	(1,330)
Furniture and fixtures	(412)	(61)	—	(473)
Computer equipment	(2,236)	(448)	243	(2,441)
Computer software	(14,980)	—	—	(14,980)
Intangible right-to-use subscriptions	—	(105)	—	(105)
	(18,888)	(684)	243	(19,329)
Capital assets, net	$ 6,307	$ 1,502	$ (2)	$ 7,807

5. Capital Assets, *continued*

The System enters into contracts to use other entities' information technology software to support the System. The contract term used in the measurement of the subscription liability includes the options to extend or terminate the contract when it is reasonably certain that the System will exercise that option. Variable payments that are fixed in substance, such as contracts that provide for increases in the future minimum annual subscription, are included in the measurement of the subscription liability. The System's current contracts expire at various dates through 2027.

The outstanding subscription liability as of June 30, 2023 was $847 thousand. The total future minimum subscription payments under the subscription agreements are as follows:

Future Minimum Subscription Payments (dollars in thousands)

Year Ended	Principal	Interest
2024	$ 634	$ 19
2025	104	5
2026	109	2

6. Commitments

As of June 30, 2023, the System had committed to fund certain private equity partnerships for a total capital commitment of $1.5 billion. Of this amount, $1.2 billion remained unfunded and is not recorded on the System's *Statement of Fiduciary Net Position.*

7. Net Pension Liability of Employers and Nonemployer

This table summarizes components of the net pension liability of the participating employers and nonemployer at June 30, 2023:

Components of Net Pension Liability (dollars in thousands)

Total pension liability	$	124,515,490
Plan fiduciary net position		94,991,195
Employers' and nonemployer's net pension liability	$	29,524,295
Plan fiduciary net position as a percentage of the total pension liability		76.29 %

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using the following actuarial assumptions:

Inflation	2.50%
Salary increases	3.00 - 8.75%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Post-retirement benefit increases	1.50% semi-annually

Post-retirement mortality rates for service retirements and beneficiaries were based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. Post-retirement mortality rates for disability retirements were based on the Pub-2010 Teachers Mortality Table for Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally. The rates of improvement were reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% was used for death prior to retirement. Future improvement in mortality rates was assumed using the MP-2019 projection scale generationally. These rates of improvement were reduced by 20% for all years prior to the ultimate rate.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018, with the exception of the long-term assumed rate of return on assets (discount rate) which was changed from 7.50% to 7.25% effective with the June 30, 2018 valuation and then from 7.25% to 6.90% effective with the June 30, 2021 valuation. In addition, the assumed annual rate of inflation was changed from 2.75% to 2.50%, effective with the June 30, 2018 valuation, and the payroll growth assumption was changed from 3.00% to 2.50% effective with the June 30, 2021 valuation.

7. Net Pension Liability of Employers and Nonemployer, *continued*

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Target Allocation & Estimated Rates of Return by Asset Class

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00 %	0.90 %
Domestic large cap equities	46.30	9.40
Domestic small cap equities	1.20	13.40
International developed market equities	12.30	9.40
International emerging market equities	5.20	11.40
Alternatives	5.00	10.50
Total	100.00 %	

* Net of inflation

***Discount rate**:* The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at the actuarially determined employer contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the employers and nonemployer, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

Employers' and Nonemployer's Net Pension Liability
(dollars in thousands)

1% Decrease (5.90%)	Current discount rate (6.90%)	1% Increase (7.90%)
$46,681,345	$29,524,295	$15,513,254

7. Net Pension Liability of Employers and Nonemployer, *continued*

Actuarial valuation date: The total pension liability is based upon the June 30, 2022 actuarial valuation. An expected total pension liability is determined as of June 30, 2023 using standard roll-forward techniques. The roll-forward calculation adds the annual normal cost (also called service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year.

8. System Employees' Retirement Benefits

The System's employees are members of the ERS plan. This note to the financial statements and required supplementary information in the first two tables on page 46 are presented from the perspective of the System as an employer.

General Information about the Employees' Retirement System of Georgia

Plan description: ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/post/annual-financial-reports.

Benefits provided: The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the Old Plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are New Plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the Old Plan, the New Plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions: Member contributions under the Old Plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the Old Plan, the State pays member contributions in excess of 1.25% of annual compensation. Under the Old Plan, these State contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the New Plan and GSEPS are 1.25% of annual compensation. The System's total required contribution rate for the year ended June 30, 2023 was 31.01% of annual covered payroll for old plan members and new plan members and 27.47% for GSEPS members. The rates include the annual actuarially determined employer contribution rate of 24.67% of annual covered payroll for old and new plan members and 21.59% for GSEPS members, plus a 6.34% adjustment to the old and new plan and a 5.88% adjustment to the GSEPS plan for the commencement of COLA prefunding for certain retired ERS members. The System's contributions to ERS for funding purposes totaled approximately $6.3 million for the year ended June 30, 2023. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the System reported a liability of approximately $52.0 million for its proportionate share of the net pension liability for the ERS plan. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2021. An expected total pension liability as of June 30, 2022 was determined using standard roll-forward techniques. The System's proportionate share of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2022. At June 30, 2022, the System's proportionate share was 0.777964% which is based on contributions, and an increase of 0.010017% from its proportionate share measured as of June 30, 2021.

For the year ended June 30, 2023, the System recognized pension expense of approximately $13.6 million. Pursuant to GASB Statement No. 67, approximately $6.8 million of the pension expense is included in investment expense as a reduction of investment income. At June 30, 2023, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown in the chart on the following page.

8. System Employees' Retirement Benefits, *continued*

Deferred Outflows and Inflows of Resources (dollars in thousands)

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 112	$ 471
Change of assumptions	9,236	—
Net difference between projected and actual earnings on pension plan investments	6,037	—
Changes in proportion and differences between the System's contributions and proportionate share of contributions	517	—
System's contributions subsequent to the measurement date	6,318	—
Total	$ 22,220	$ 471

System contributions subsequent to the measurement date of approximately $6.3 million are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows (dollars in thousands):

Years ended June 30:	
2024	$ 8,355
2025	2,282
2026	151
2027	4,643
Total	15,431

Actuarial assumptions: The total pension liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00 - 6.75%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

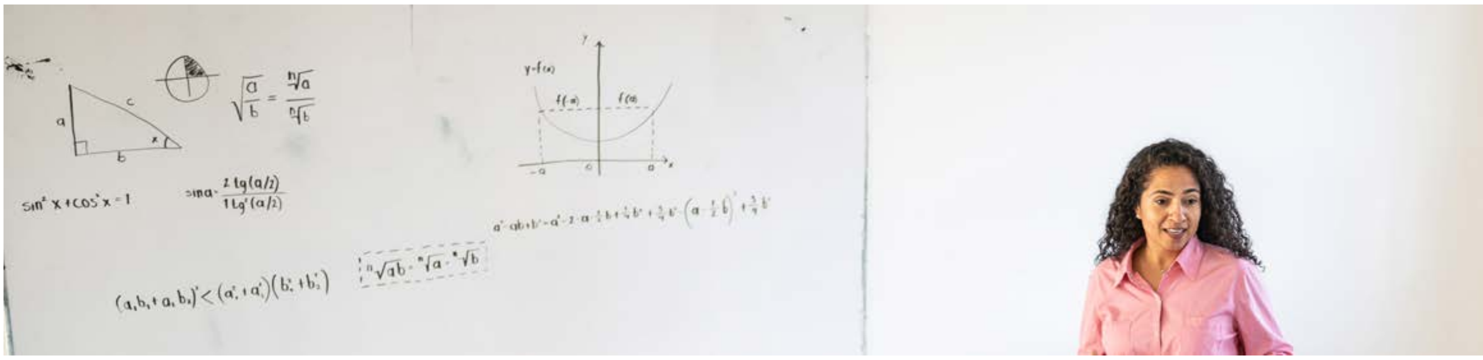
The Mortality rates are as follows:

- The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.
- The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for post-retirement mortality assumptions as follows:

Participant Type	Membership Table	Set Forward (+)/ Setback (-)	Adjustment To Rates
Service Retirees	General Healthy Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2; Female: +2	Male: 106%; Female: 105%

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.



8. System Employees' Retirement Benefits, *continued*

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in this table:

Target Allocation & Estimated Rates of Return by Asset Class

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	0.20 %
Domestic large cap equities	46.30	9.40
Domestic small cap equities	1.20	13.40
International developed market equities	12.30	9.40
International emerging market equities	5.20	11.40
Alternatives	5.00	10.50
Total	100.00%	

*Net of inflation

Discount rate*:* The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the ERS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the System's proportionate share of the net pension liability to changes in the discount rate: The following presents the System's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate (dollars in thousands):

System's Proportionate Share of the Net Pension Liability

1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
$69,163	$51,956	$37,486

Pension plan fiduciary net position: Detailed information about the ERS plan's fiduciary net position is available in the separately issued ERS financial report, which is publically available at www.ers.ga.gov/post/annual-financial-reports.

9. System Employees' Other Postemployment Benefits

Plan descriptions and Funding Policy:

Georgia State Employees Postemployment Benefit Fund (State OPEB Fund)

Plan Description: Employees of State organizations as defined in §45-18-25 of the O.C.G.A. are provided OPEB through the State OPEB Fund - a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund and administered by a Board of Community Health (DCH Board). Title 45 of the *O.C.G.A.* assigns the authority to establish and amend the benefit terms of the group health plan to the DCH Board.

Benefits Provided: The State OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for employees of State organizations (including technical colleges) and other entities authorized by law to contract with the Department of Community Health (DCH) for inclusion in the plan. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from ERS. If elected, dependent coverage starts on the same day as retiree coverage. Medicare-eligible retirees are offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and a High Deductible Health Plan (HDHP). The State OPEB Fund also pays for administrative expenses of the fund. By law, no other use of the assets of the State OPEB Fund is permitted.

Contributions: As established by the DCH Board, the State OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of providing benefits will be financed in the same year as claims occur. Contributions to the State OPEB Fund from the System were $1.4 million for the year ended June 30, 2023. Active employees are not required to contribute to the State OPEB Fund.

State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund (SEAD-OPEB)

Plan Description: SEAD-OPEB was created in 2007 by the Georgia General Assembly to amend Title 47 of the O.C.G.A., relating to retirement, so as to establish a fund for the provision of term life insurance to retired and vested inactive members of ERS, LRS, and JRS. The plan is a cost-sharing multiple-employer defined benefit OPEB plan as defined in GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than OPEB Plans*. The SEAD-OPEB trust fund accumulates the premiums received from the aforementioned retirement plans, including interest earned on deposits and investments of such payments.

Benefits Provided: The amount of insurance for a retiree with creditable service prior to April 1, 1964 in the SEAD-OPEB plan is the full amount of insurance in effect on the date of retirement. The amount of insurance for a service retiree with no creditable service prior to April 1, 1964 in the SEAD-OPEB plan is 70% of the amount of insurance in effect at age 60 or at termination, if earlier. Life insurance proceeds are paid in a lump sum to the beneficiary upon death of the retiree.

Contributions: Georgia law provides that employee contributions to the SEAD-OPEB plan shall be in an amount established by the Board of Trustees not to exceed one-half of 1% of the member's earnable compensation. There were no employer contributions required for the fiscal year ended June 30, 2023.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the System reported a liability of $3.6 million for its proportionate share of the State OPEB net liability and an asset of $4.4 million for its proportionate share of the SEAD-OPEB net asset.

The following schedule details the System's proportionate share of the OPEB amounts for all plans as of June 30, 2023:

Aggregate OPEB Amounts - All Plans
(dollars in thousands)

OPEB liabilities	$ 3,648
OPEB assets	4,389
Deferred outflows of resources	4,850
Deferred inflows of resources	4,187
OPEB expense	(3,915)

The net OPEB liability and net OPEB asset were measured as of June 30, 2022. The total OPEB liability and OPEB asset were used to calculate the net OPEB liability/asset and were based on actuarial valuations as of June 30, 2021. An expected total OPEB liability and OPEB asset as of June 30, 2022 were determined using standard roll-forward techniques.

The System's proportionate share of the net OPEB liability for the State OPEB plan was actuarially determined based on employer contributions during the fiscal year ended June 30, 2022. At June 30, 2022, the System's proportionate share was 0.811933%, which was an increase of 0.029288% from its proportionate share measured as of June 30, 2021. The System's proportionate share of the net OPEB asset for the SEAD-OPEB plan was based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2022. At June 30, 2022, the System's proportionate share was 1.194024%, which was an increase of 0.084698% from its proportionate share measured as of June 30, 2021.

9. System Employees' Other Postemployment Benefits, *continued*

For the year ended June 30, 2023 the System recognized a reduction of OPEB expense of $2.9 million for the State OPEB plan and a reduction of OPEB expense of $1.0 million for the SEAD-OPEB plan. Pursuant to GASB Statement No. 74, approximately $1.6 million of the State OPEB reduction of expense and $510.7 thousand of the SEAD-OPEB reduction of OPEB expense is included in investment expense as a reduction of investment income. At June 30, 2023, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB for each plan from the following sources:

Deferred Outflows and Inflows of Resources (dollars in thousands)

	State OPEB plan		SEAD-OPEB plan	
	Deferred outflows of resources	Deferred inflows of resources	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 115	$ 3,547	$ 20	$ 1
Change of assumptions	65	449	—	21
Net difference between projected and actual earnings on pension plan investments	1,323	—	915	—
Changes in proportion and differences between the System's contributions and proportionate share of contributions	1,035	—	—	169
System's contributions subsequent to the measurement date	1,377	—	—	—
Total	$ 3,915	$ 3,996	$ 935	$ 191

System contributions subsequent to the measurement date of $1.4 million for the State OPEB plan are reported as deferred outflows of resources and will be recognized as a reduction of the net State OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (dollars in thousands):

Years ended June 30:	State OPEB	SEAD-OPEB
2024	$ (1,252)	$ (66)
2025	(674)	90
2026	1	34
2027	467	686
Total	(1,458)	744

9. System Employees' Other Postemployment Benefits, *continued*

Actuarial assumptions: The total OPEB liability and OPEB asset as of June 30, 2022 were determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2022:

Actuarial Assumptions

	State OPEB plan	SEAD-OPEB plan
Inflation	2.50%	2.50%
Salary increases	3.00 - 6.75%, including inflation	3.00 - 6.75%, including inflation
Investment rate of return	7.00%, compounded annually, net of investment expense, including inflation	7.00%, net of OPEB plan investment expense, including inflation
Single equivalent interest rate	n/a	n/a
Healthcare cost trend rate:		
Pre-Medicare eligible	6.50%	n/a
Medicare eligible	5.00%	n/a
Ultimate trend rate:		
Pre-Medicare eligible	4.50%	n/a
Medicare eligible	4.50%	n/a
Year of Ultimate trend rate		
Pre-Medicare eligible	2029	n/a
Medicare eligible	2023	n/a

Pre-retirement mortality rates for the State OPEB plan were based on the Pub-2010 General Employee Mortality Table, with no adjustment, with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years for males and adjusted 103% for males and 106% for females) with the MP-2019 Projection scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 106% for males and 105% for females) with the MP-2019 Projection scale applied generationally.

Mortality rates for the SEAD-OPEB plan are as follows:

- The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.
- The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for post-retirement mortality assumptions as follows:

Participant Type	Membership Table	Set Forward (+)/ Setback (-)	Adjustment To Rates
Service Retirees	General Healthy Annuitant	Male: +1; Female: +1	Male: 105%; Female: 108%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male: 103%; Female: 106%
Beneficiaries	General Contingent Survivors	Male: +2; Female: +2	Male: 106%; Female: 105%

The actuarial assumptions used in the June 30, 2021 valuation for the State OPEB and SEAD-OPEB plans were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2019. For State OPEB, the remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021 valuation.

Projection of State OPEB benefits for financial reporting purposes is based on the substantive plan (the plan as understood by the employer and plan members) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions

9. System Employees' Other Postemployment Benefits, *continued*

used include techniques that are designed to reduce the effects for short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

The long-term expected rate of return on the State OPEB and SEAD-OPEB plan investments were determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Target Allocation & Estimated Rates of Return by Asset Class

	State OPEB		SEAD-OPEB	
Asset class	**Target allocation**	**Long-term expected real rate of return***	**Target allocation**	**Long-term expected real rate of return***
Fixed income	30.00%	2.00 %	30.00%	0.20 %
Domestic large cap equities			46.30	9.40
Equities	70.00	9.40	—	—
Domestic small cap equities	—	—	1.20	13.40
International developed market equities	—	—	12.30	9.40
International emerging market equities	—	—	5.20	11.40
Alternatives	—	—	5.00	10.50
Total	100.00%		100.00%	

*Net of inflation

Discount rate

The discount rate used to measure the total State OPEB liability was 7.00%, the same as last year's rate. The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Based on those assumptions, the State OPEB fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

The discount rate used to measure the total SEAD-OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

The long-term expected rate of return on the State OPEB and SEAD-OPEB plan investments was applied to all periods of projected benefit payments to determine the total State OPEB and SEAD-OPEB liability. For State OPEB, the projected future benefit payments for all current plan members were projected through 2120.

9. System Employees' Other Postemployment Benefits, *continued*

Sensitivity of the Employer Agency's proportionate share of the net OPEB liability to changes in the discount rate:

The following presents the System's proportionate share of the net State OPEB liability and net SEAD-OPEB asset calculated using the discount rate detailed below, as well as what the proportionate share of the net State OPEB liability and net SEAD-OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate (dollars in thousands):

System's Proportionate Share of the Net OPEB Liability (Asset)

	1% Decrease	Current discount rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)
State OPEB	$5,359	$3,648	$2,169
	(6.00%)	(7.00%)	(8.00%)
SEAD-OPEB	(2,833)	(4,389)	(5,663)

Sensitivity of the Employer Agency's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the System's proportionate share of the State net OPEB liability, as well as what the proportionate share of the State net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (dollars in thousands):

System's Proportionate Share of the Net State OPEB Liability

1% Decrease	Current healthcare cost trend rate	1% Increase
$1,922	$3,648	$5,670

OPEB plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the Annual Comprehensive Financial Reports (ACFR) for each of the plans which are publicly available. The State OPEB plan is located at https://sao.georgia.gov/statewide-reporting/acfr and the SEAD-OPEB plan is located at www.ers.ga.gov/post/annual-financial-reports.

10. Deferred Outflows and Inflows of Resources

Deferred Outflows and Inflows of Resources reported on the *Statement of Net Position* as of June 30, 2023 consist of the following (dollars in thousands):

Deferred Outflows of Resources

	ERS pension plan	State OPEB plan	SEAD-OPEB plan	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$ 112	$ 115	$ 20	$ 247
Change of assumptions	9,236	65	—	9,301
Net difference between projected and actual earnings on plan investments	6,037	1,323	915	8,275
Changes in proportion and differences between the System's contributions and proportionate share of contributions	517	1,035	—	1,552
System's contributions subsequent to the measurement date	6,318	1,377	—	7,695
Total Deferred Outflows of Resources	$ 22,220	$ 3,915	$ 935	$ 27,070

Deferred Inflows of Resources

	ERS pension plan	State OPEB plan	SEAD-OPEB plan	Total
Deferred Inflows of Resources				
Differences between expected and actual experience	$ 471	$ 3,547	$ 1	$ 4,019
Change of assumptions	—	449	21	470
Net difference between projected and actual earnings on plan investments	—	—	—	—
Changes in proportion and differences between the System's contributions and proportionate share of contributions	—	—	169	169
Total Deferred Inflows of Resources	$ 471	$ 3,996	$ 191	$ 4,658

Schedule of Changes in Employers' and Nonemployer's Net Pension Liability (dollars in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability:										
Service cost	$ 1,966,543	$ 1,742,643	$ 1,734,145	$ 1,597,714	$ 1,536,336	$ 1,484,705	$ 1,413,080	$ 1,435,810	$ 1,386,498	$ 1,374,556
Interest	8,043,425	7,837,074	7,440,942	7,080,133	6,868,617	6,565,372	6,293,611	5,990,178	5,779,597	5,557,046
Differences between expected and actual experience	957,570	(215,975)	1,934,042	368,463	430,272	894,691	573,483	380,526	(165,785)	—
Changes of assumptions	—	5,026,914	—	1,316,780	2,388,357	—	—	662,047	—	—
Benefit payments	(5,957,380)	(5,692,032)	(5,434,414)	(5,192,283)	(4,950,465)	(4,699,920)	(4,461,124)	(4,228,819)	(3,996,879)	(3,764,452)
Refunds of member contributions	(89,460)	(94,853)	(69,166)	(76,976)	(76,543)	(76,061)	(76,296)	(79,334)	(80,085)	(87,095)
Net change in total pension liability	4,920,698	8,603,771	5,605,549	5,093,831	6,196,574	4,168,787	3,742,754	4,160,408	2,923,346	3,080,055
Total pension liability - beginning	119,594,792	110,991,021	105,385,472	100,291,641	94,095,067	89,926,280	86,183,526	82,023,118	79,099,772	76,019,717
Total pension liability - ending (a)	124,515,490	119,594,792	110,991,021	105,385,472	100,291,641	94,095,067	89,926,280	86,183,526	82,023,118	79,099,772
Plan fiduciary net position:										
Contributions - employer	2,923,577	2,691,316	2,490,404	2,733,089	2,560,989	2,014,308	1,648,669	1,572,624	1,399,668	1,264,546
Contributions - nonemployer	5,519	5,398	5,123	5,729	5,414	4,416	6,175	7,908	7,038	6,417
Contributions - member	911,542	853,376	817,090	800,864	759,474	745,574	716,233	685,626	661,835	640,120
Net investment income	10,097,823	(12,770,564)	23,192,761	4,119,609	4,972,419	6,247,155	7,971,677	810,574	2,384,145	9,826,743
Benefit payments	(5,957,380)	(5,692,032)	(5,434,414)	(5,192,283)	(4,950,465)	(4,699,920)	(4,461,124)	(4,228,819)	(3,996,879)	(3,764,452)
Refunds of member contributions	(89,460)	(94,853)	(69,166)	(76,976)	(76,543)	(76,061)	(76,296)	(79,334)	(80,085)	(87,095)
Administrative expense	(23,285)	(16,470)	(16,668)	(17,411)	(15,276)	(15,865)	(16,773)	(15,279)	(14,996)	(15,025)
Other[1]	—	—	—	—	—	(27,654)	—	—	(27,706)	—
Net change in plan fiduciary net position	7,868,336	(15,023,829)	20,985,130	2,372,621	3,256,012	4,191,953	5,788,561	(1,246,700)	333,020	7,871,254
Plan fiduciary net position - beginning	87,122,859	102,146,688	81,161,558	78,788,937	75,532,925	71,340,972	65,552,411	66,799,111	66,466,091	58,594,837
Plan fiduciary net position - ending (b)	94,991,195	87,122,859	102,146,688	81,161,558	78,788,937	75,532,925	71,340,972	65,552,411	66,799,111	66,466,091
Net pension liability- ending (a)-(b)	$ 29,524,295	$ 32,471,933	$ 8,844,333	$ 24,223,914	$ 21,502,704	$ 18,562,142	$ 18,585,308	$ 20,631,115	$ 15,224,007	$ 12,633,681

[1] The System is a participating employer in the Employees' Retirement System of Georgia, the Georgia State Employees Postemployment Benefit Fund, and the State Employees' Assurance Department Retired and Vested Inactive Members Trust Fund. Pursuant to the requirements of GASB Statement No. 68, the fiscal year 2015 beginning Fiduciary Net Position was restated by $27,705,937. Pursuant to the requirements of GASB Statement No. 75, the fiscal year 2018 beginning Fiduciary Net Position was restated by $27,653,657. These restatements were made for reporting purposes to reflect the impact of recording the initial deferred outflows of resources and the net pension and OPEB liabilities and OPEB asset. For actuarial purposes, these adjustments are being recognized in fiscal year 2015 and 2018 respectively, and beginning fiduciary net position was not restated.

See accompanying notes to required supplementary information and independent auditors' report.

Schedule of Employers' and Nonemployer's Net Pension Liability & Related Ratios (dollars in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability	$124,515,490	$119,594,792	$110,991,021	$105,385,472	$100,291,641	$ 94,095,067	$ 89,926,280	$ 86,183,526	$ 82,023,118	$79,099,772
Plan fiduciary net position	94,991,195	87,122,859	102,146,688	81,161,558	78,788,937	75,532,925	71,340,972	65,552,411	66,799,111	66,466,091
Employers' and nonemployer's net pension liability	$ 29,524,295	$ 32,471,933	$ 8,844,333	$ 24,223,914	$ 21,502,704	$ 18,562,142	$ 18,585,308	$ 20,631,115	$ 15,224,007	$12,633,681
Plan fiduciary net position as a percentage of the total pension liability	76.29 %	72.85 %	92.03 %	77.01 %	78.56 %	80.27 %	79.33 %	76.06 %	81.44 %	84.03 %
Covered payroll	$ 14,660,140	$ 13,612,892	$ 13,093,006	$ 12,955,620	$ 12,279,440	$ 12,009,066	$ 11,596,664	$ 11,075,907	$ 10,697,384	$10,349,862
Employers' and nonemployer's net pension liability as a percentage of covered payroll	201.39 %	238.54 %	67.55 %	186.98 %	175.11 %	154.57 %	160.26 %	186.27 %	142.32 %	122.07 %

Schedule of Employer and Nonemployer Contributions (dollars in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined employer and nonemployer contribution	$2,929,096	$2,696,714	$2,495,527	$2,738,818	$2,566,403	$2,018,724	$1,654,844	$1,580,532	$1,406,706	$1,270,963
Contributions in relation to actuarially determined contribution	2,929,096	2,696,714	2,495,527	2,738,818	2,566,403	2,018,724	1,654,844	1,580,532	1,406,706	1,270,963
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Covered payroll	$14,660,140	$13,612,892	$13,093,006	$12,955,620	$12,279,440	$12,009,066	$11,596,664	$11,075,907	$10,697,384	$10,349,862
Contributions as a percentage of covered payroll	19.98 %	19.81 %	19.06 %	21.14 %	20.90 %	16.81 %	14.27 %	14.27 %	13.15 %	12.28 %

Schedule of Investment Returns

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	8.56 %	(15.18)%	25.08 %	2.91 %	4.08 %	5.05 %	7.62 %	(2.92)%	(0.45)%	12.17 %

See accompanying notes to required supplementary information and independent auditors' report.

Schedule of the System's Proportionate Share of the Net Pension Liability to ERS (dollars in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
System's proportion of the net pension liability	0.777964 %	0.767947 %	0.723618 %	0.699417 %	0.676785 %	0.691037 %	0.698825 %	0.683763 %	0.668620 %
System's proportionate share of the net pension liability	$ 51,956	$ 17,962	$ 30,500	$ 28,862	$ 27,823	$ 28,065	$ 33,057	$ 27,702	$ 25,077
System's covered payroll	20,138	19,440	19,214	18,555	18,202	17,756	16,880	16,291	17,622
System's proportionate share of the net pension liability as a percentage of its covered payroll	258.00 %	92.40 %	158.74 %	155.54 %	152.86 %	158.06 %	195.84 %	170.04 %	142.31 %
ERS fiduciary net position as a percentage of the total pension liability	67.44 %	87.62 %	76.21 %	76.74 %	76.68 %	76.33 %	72.34 %	76.20 %	77.99 %

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of the System's Contributions to ERS (dollars in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 6,318	$ 4,807	$ 4,579	$ 4,504	$ 4,451	$ 4,423	$ 4,328	$ 4,102	$ 3,433
Contributions in relation to the contractually required contribution	6,318	4,807	4,579	4,504	4,451	4,423	4,328	4,102	3,433
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
System's covered payroll	$ 21,519	$ 20,138	$ 19,440	$ 19,214	$ 18,555	$ 18,202	$ 17,756	$ 16,880	$ 16,291
Contributions as a percentage of covered payroll	29.36 %	23.87 %	23.55 %	23.44 %	23.99 %	24.30 %	24.37 %	24.30 %	21.07 %

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of the System's Proportionate Share of the Net OPEB Liability (Asset) (dollars in thousands)

	2023	2022	2021	2020	2019	2018
State OPEB plan						
System's proportion of the net OPEB liability (asset)	0.811933 %	0.782645 %	0.748277 %	0.714338 %	0.691645 %	0.698345 %
System's proportionate share of the net OPEB liability (asset)	$ 3,648	$ 2,151	$ 8,421	$ 8,867	$ 18,091	$ 28,452
System's covered payroll	24,223	22,732	22,052	21,061	20,599	19,895
System's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	15.06 %	9.46 %	38.19 %	42.10 %	87.82 %	143.01 %
Plan fiduciary net position as a percentage of the total OPEB liability	80.03 %	87.58 %	59.71 %	56.57 %	31.48 %	17.34 %
SEAD-OPEB plan						
System's proportion of the net OPEB liability (asset)	1.194024 %	1.109326 %	1.018190 %	0.939985 %	0.865387 %	0.837498 %
System's proportionate share of the net OPEB liability (asset)	$ (4,389)	$ (6,832)	$ (2,892)	$ (2,658)	$ (2,342)	$ (2,177)
System's covered payroll	12,198	11,996	12,080	11,996	12,056	12,196
System's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	35.98 %	56.95 %	23.94 %	22.16 %	19.43 %	17.85 %
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	138.03 %	164.76 %	129.20 %	129.73 %	129.46 %	130.17 %

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information and independent auditor's report.

Schedule of the System's Contributions to OPEB Plans
(dollars in thousands)

	2023	2022	2021	2020	2019	2018
State OPEB plan						
Contractually required contribution	$ 1,377	$ 1,141	$ 1,187	$ 1,126	$ 3,820	$ 3,449
Contributions in relation to the contractually required contribution	1,377	1,141	1,187	1,126	3,820	3,449
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —	$ —
System's covered payroll	$ 25,052	$ 24,223	$ 22,732	$ 22,052	$ 21,061	$ 20,599
Contributions as a percentage of covered payroll	5.50 %	4.71 %	5.22 %	5.11 %	18.14 %	16.74 %
SEAD-OPEB plan						
Contractually required contribution[1]	$ —	$ —	$ —	$ —	$ —	$ —
Contributions in relation to the contractually required contribution	—	—	—	—	—	—
Contribution deficiency (excess)	$ —	$ —	$ —	$ —	$ —	$ —
System's covered payroll	$ 12,039	$ 12,198	$ 11,996	$ 12,080	$ 11,996	$ 12,056
	— %	— %	— %	— %	— %	— %

[1] Employer contributions are not currently required for the SEAD-OPEB plan.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information and independent auditor's report.

Required Supplementary Information for the System as the Plan

Schedule of Changes in the Employers' and Nonemployer's Net Pension Liability

The total pension liability contained in this schedule was provided by the System's actuary, Cavanaugh Macdonald Consulting, LLC. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the System.

Schedule of Employer and Nonemployer Contributions

The required employer and nonemployer contributions and percentage of those contributions actually made are presented in the schedule.

Actuarial Methods and Assumptions

Changes of assumptions: On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases. Based on the funding policy adopted by the Board on May 15, 2019, the investment rate of return assumption was changed to 7.25%. In addition, the assumed rate of inflation was changed to 2.50%. On May 13, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, and withdrawal. On May 11, 2022, the Board adopted recommended changes to the investment rate of return assumption from 7.25% to 6.90%, and the payroll growth assumption was changed from 3.00% to 2.50%.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of employer and nonemployer contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported (June 30, 2023 employer contributions are based on June 30, 2020 valuation).

The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Valuation date:	June 30, 2020
Actuarial cost method:	Entry age
Amortization method:	Level percent of pay, closed
Remaining amortization period:	24.2 years
Asset valuation method:	Five-year smoothed fair
Inflation rate:	2.50%
Salary increases:	3.00 to 8.75%, including inflation
Investment rate of return:	7.25%, net of pension plan investment expense, including inflation
Post-retirement benefit increases:	1.50% semi-annually

Required Supplementary Information for the System as a Participating Employer in ERS

Schedule of the System's Proportionate Share of the Net Pension Liability to ERS

This schedule presents historical trend information about the System's proportionate share of the net pension liability for its employees who participate in the ERS plan. GASB Statement No. 68 was implemented in 2015. Information related to previous years is not available; therefore, trend information will be accumulated going forward to display a 10-year presentation.

Schedule of the System's Contributions to ERS

This schedule presents historical trend information about the System's contributions for its employees who participate in the ERS plan. GASB Statement No. 68 was implemented in 2015. Information related to previous years is not available; therefore, trend information will be accumulated going forward to display a 10-year presentation.

Changes in Benefit Terms and Assumptions

Changes of benefit terms: There were no changes in benefit terms that affect the measurement of the total pension liability since the prior measurement date.

Changes of assumptions: On December 17, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal, and salary increases. Subsequent to the June 30, 2016 actuarial valuation, the ERS Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation. In addition, based on the ERS Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date, remained unchanged for June 30, 2019 and June 30, 2020 measurement dates. On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System based on the Experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00% and remained unchanged for the June 30, 2022 measurement date. On April 21, 2022, the Board adopted a new funding policy which, in part, provides that the actuarial accrued liability and normal cost of the System will include a prefunded variable cost-of-living adjustment (COLA) for eligible retirees and beneficiaries of the System. The assumption for future COLAs was set at 1.05%. In addition, a new transitional unfunded actuarial accrued liability was established and will be amortized over a closed 20-year period.

Required Supplementary Information for the System as a Participating Employer in the State OPEB plan

Changes in Benefit Terms and Assumptions

Changes of benefit terms: There were no changes in benefit terms that affect the measurement of the total State OPEB liability since the prior measurement date.

Changes in assumptions: The June 30, 2017 actuarial valuation was revised, for various factors, including the methodology used to determine how employees and retirees were assigned to each of the OPEB Funds and anticipated participation percentages. Current and former employees of State organizations (including technical colleges, community service boards and public health departments) are now assigned to the State OPEB fund based on their last employer payroll location: irrespective of retirement affiliation.

In the June 30, 2019 valuation, the inflation assumption was lowered from 2.75% to 2.50% in anticipation of the upcoming ERS Experience study. Additionally, decremental assumptions were changed to reflect the Teachers Retirement Systems experience study. Approximately 6.0% of employees are members of the Teachers Retirement System.

In the June 30, 2020 valuation, decremental assumptions were changed to reflect the ERS Experience study.

The discount rate was updated from 3.09% as of June 30, 2016 to 3.60% as of June 30, 2017 to 5.22% as of June 30, 2018, to 7.30% as of June 30, 2019, to 7.06% as of June 30, 2020, and to 7.00% as of June 30, 2021 and remain unchanged for June 30, 2022.

Required Supplementary Information for the System as a Participating Employer in the SEAD-OPEB plan

Changes of assumptions

On December 17, 2015, the Board of Trustees adopted recommended changes to the economic and demographic assumptions utilized by the Plan. Primary among the changes were the updates to rates of mortality, retirement, disability, withdrawal and salary increases. Subsequent to the June 30, 2016 actuarial valuation, the ERS Board adopted a new funding policy. Because of this new funding policy, the assumed investment rate of return was reduced from 7.50% to 7.40% for the June 30, 2017 actuarial valuation. In addition, based on the SEAD Board's new funding policy, the assumed investment rate of return was further reduced by 0.10% from 7.40% to 7.30% as of the June 30, 2018 measurement date, remained unchanged for June 30, 2019 and June 30, 2020 measurement dates, and was further reduced to 7.20% for the June 30, 2022 measurement date. On December 17, 2020, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System based on the Experience study prepared for the five-year period ending June 30, 2019. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases. This also included a change to the long-term assumed investment rate of return to 7.00%.

Schedule of Administrative Expenses (dollars in thousands)

Personal services:	
Salaries and fringes	$ 10,847
Retirement contributions	6,571
Health insurance	1,234
FICA	780
Miscellaneous	137
Total personal services	19,569
Communications:	
Postage	226
Publications and printing	167
Telecommunications	144
Travel	137
Total communications	674
Professional services:	
Computer services	1,675
Actuarial services	90
Audit fees	233
Legal services	37
Medical services	67
Total professional services	2,102
Management Expenses:	
Building maintenance	617
Total management expenses	617
Other services and charges:	
Repairs and maintenance	6
Supplies and materials	143
Depreciation and amortization	580
Miscellaneous	277
Total other services and charges	1,006
Total administrative expenses	23,968
Less reimbursement by other state retirement systems for services rendered on their behalf	683
Net administrative expenses	$ 23,285

See accompanying independent auditor's report.

Schedule of Investment Expenses (dollars in thousands)

Investment advisory and custodial fees	$ 37,834
Miscellaneous	20,073
Total investment expenses	$ 57,907

See accompanying independent auditors' report.

US real GDP maintained modest growth for the fiscal year. The economy faced multiple challenges, including high inflation, cautious business sentiment, and several high profile bank failures. Despite this, overall capital spending remained strong, and the unemployment rate stayed near generational lows of under 4%. The unique blend of events resulted in strong equity returns, with U.S. equities up 19% and foreign equities up 13%. To combat inflation, the Federal Reserve raised rates another 350 basis points. This led to bond market headwinds, with broad domestic bond indexes experiencing a decline of over 2%.

We continually emphasize that the pension plan has a long-term investment horizon and that short-term concerns should not drive investment decisions. The System invests primarily in a mix of liquid, high-quality bonds and stocks. In addition, the System continues to build its private markets program in a disciplined manner. These types of investments further diversify the portfolio and allow the System to participate in rising markets while moderating the risks on the downside. A high-quality balanced fund has proven to be a successful strategy in a variety of markets over long periods of time.

As in previous years, the bias to quality was a primary goal and was successfully met. “Conservation of Capital” and “Conservatism” remain the guiding principles for investment decisions. The Board of Trustees continues to use a diversified portfolio to accomplish these objectives.

Despite ongoing concerns about a potential recession, the real GDP showed a marginal improvement, remaining weak but still in positive territory, with a reported growth rate of 2.6% in 2023. This unexpected development surprised many, given the attention that had been paid to the rising risks of an economic downturn. It is possible that the anticipation of a recession played a role in slowing down the overall economy. However, the possibility of a recession still looms and will likely remain a concern for much of the upcoming year. In addition to economic uncertainties, geopolitical risks continue to cause significant concern. Ongoing conflicts like the Ukraine war and strained relations with China are adding further complexities to the global economic landscape.

Studies undertaken to evaluate the investment returns of pension funds over very long-time horizons indicate that the asset allocation decision has the largest impact on the fund’s returns. Although the returns for the various asset categories vary from year to year, over the long term, equities typically outperform fixed income and cash by a very wide margin. For example, the ten-year returns for equities was 10.5%, while for bonds it was 1.5%. For that reason, the System has generally maintained significant equity exposure, with the remainder of the fund invested in fixed income securities designed to generate income and preserve capital.

Returns for one-, three-, five-, ten-, twenty-, and thirty-year periods are presented in this section. Longer periods allow for a more valid evaluation of returns, both in absolute terms and relative to an asset class index, by reducing emphasis on the short-term volatility of markets. The Daily Valuation Method, a time-weighted rate of return, was used to calculate returns in a manner consistent with the CFA Institute’s objectives as stated in its publication, “Global Investment Performance Standards Handbook,” third edition.

The S&P 500 had a return of 19.6%. The S&P MidCap 400 and the S&P SmallCap 600 indexes had returns of 17.6% and 9.8%, respectively. Equity indexes rebounded this fiscal year after poor returns last year. Long-term returns for these indexes remain impressive, with the S&P 500 leading the pack with a ten-year annualized performance of almost 13%. Much of the S&P 500’s relative outperformance was due to the largest stocks in the index. Returns on a sector basis favored early cycle groups, with information technology stocks leading the way.

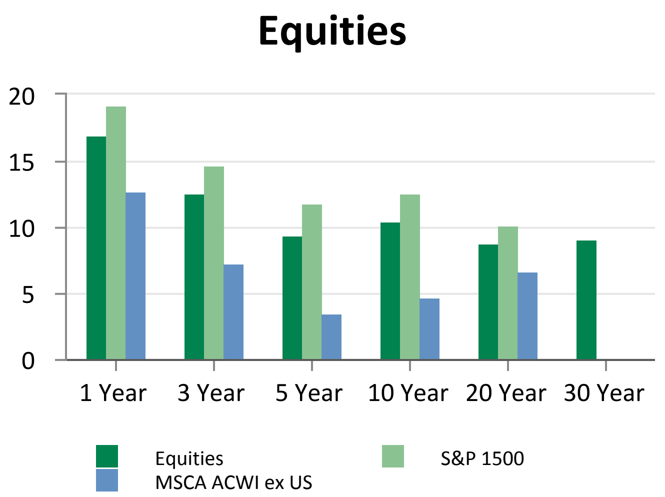
Developed markets also rebounded, though emerging markets continue to struggle. The MSCI EAFE Index had a return of 17.4%, and the Emerging Markets Index had a return of 1.8%. Most companies had a positive return for the year. However, China was once again the largest drag on the Emerging Markets Index performance with a surprising (16.8%) return, despite the lifting of COVID-19 related restrictions.

Fixed income yields moved meaningfully higher last year as central banks continued to focus on inflation. For example, the Federal Reserve, which has been raising rates since March 2022, has moved the Federal Funds Rate target this fiscal year from a range of 1.5-1.75% to 5-5.25%. These moves caused negative returns on bonds, with yields on the one-, ten-, and thirty-year Treasuries increasing by 2.7%, 0.8%, and 0.7%, respectively. The ten-year Treasury had a return of (3.8%) for the year, while the thirty-year Treasury had a return of (10.5%).

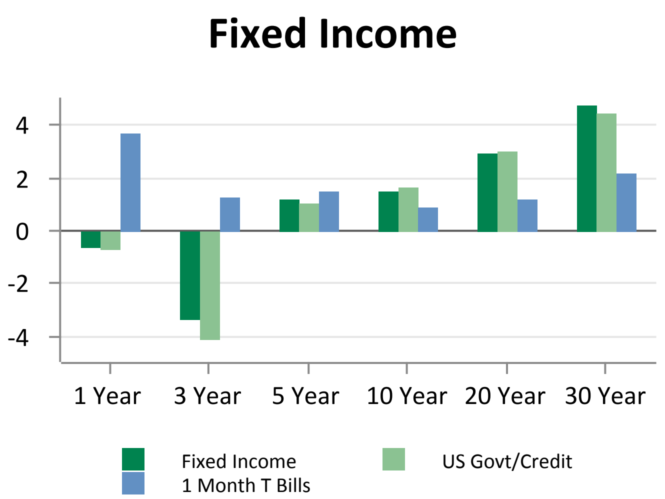
We look at two fixed-income indexes to measure the bond market’s performance. The Barclays Capital Government/Credit Index had a return of (0.7%). It is a broad index containing corporate and government-sponsored bonds as well as Treasuries. The FTSE Gov/Corp AAA/AA had a return of (2.1%). It is also a broad index containing higher-rated corporate bonds as well as Treasuries and Government securities. The high-quality government and credit index provided by FTSE that we use to measure bond market performance had a return of (2.1%).

In summary, due to the long-term investment focus, and despite remarkable market volatility and high inflation, the investment status of the System is excellent. The high quality of the System’s investments is in keeping with the continued policy of “Conservation of Capital” and “Conservatism.”

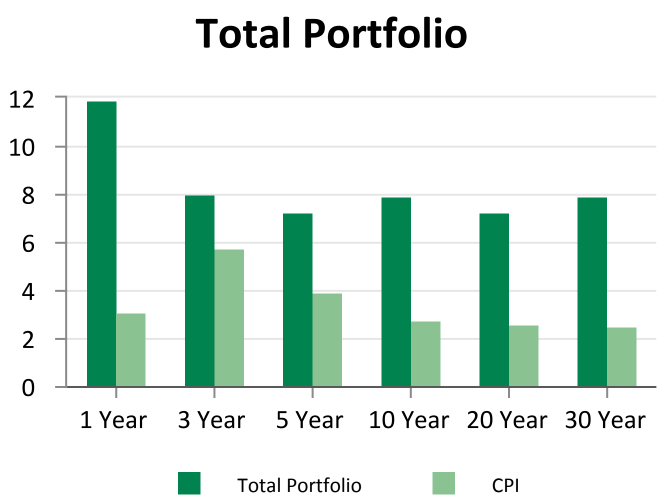
Prepared by the Division of Investment Services



	Equities	S&P 1500	MSCA ACWI ex US
1 Year	16.98%	19.24%	12.72%
3 Year	12.57	14.67	7.22
5 Year	9.40	11.83	3.52
10 Year	10.50	12.61	4.75
20 Year	8.85	10.13	6.67
30 Year	9.12	—	—

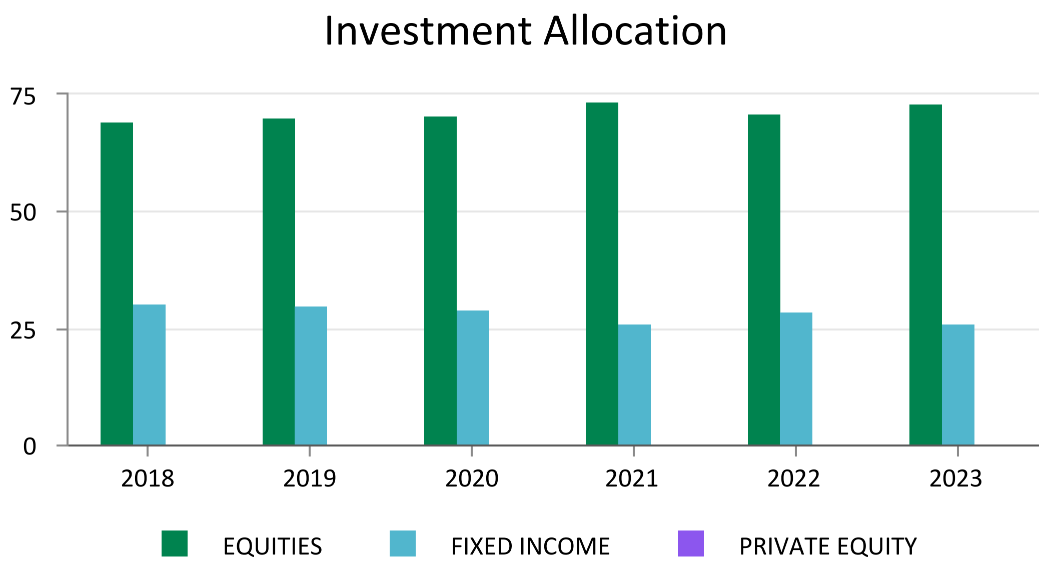


	Fixed Income	US Govt/Credit	1 Month T Bills
1 Year	(0.60)%	(0.70)%	3.70%
3 Year	(3.31)	(4.11)	1.29
5 Year	1.22	1.03	1.50
10 Year	1.51	1.66	0.93
20 Year	2.98	3.03	1.24
30 Year	4.75	4.45	2.18



	Total Portfolio	CPI
1 Year	11.90%	3.09%
3 Year	8.03	5.74
5 Year	7.26	3.89
10 Year	7.92	2.71
20 Year	7.23	2.56
30 Year	7.88	2.51

Note: Time-weighted rates of return are calculated using the Daily Valuation Method based on market rates of return.



Investment Summary

Asset Allocation at June 30	2018	2019	2020	2021	2022	2023
Equities	69.4%	70.2%	70.8%	73.8%	71.1%	73.2%
Fixed Income	30.6%	29.8%	29.2%	26.1%	28.6%	26.3%
Private Equity	—%	—%	—%	0.1%	0.3%	0.5%
Asset Allocation at June 30 (in millions)						
Equities	$ 51,182	$ 53,433	$ 56,199	$ 73,189	$ 60,695	$ 68,387
Fixed Income	22,564	22,685	23,218	25,863	24,421	24,550
Private Equity	—	—	—	50	215	450
Total Investments	$ 73,746	$ 76,118	$ 79,417	$ 99,102	$ 85,331	$ 93,387

Schedule of Fees and Commissions (dollars in thousands)

For the Year Ended June 30, 2023

Investment Advisors' Fees:	
US Equity	$ 14,605
International Equity	20,483
Investment Commissions:	
US Equity	3,212
International Equity	8,163
SEC & Foreign Transaction Fees:	2,180
Miscellaneous*:	42,850
Total Fees and Commissions	$ 91,493

*Amount included in total investment expenses shown on page 51.

Twenty Largest Equity Holdings (dollars in thousands)*

Shares	Company	Fair Value
13,504,610	Apple Inc.	$ 2,619,489
7,047,402	Microsoft Corp.	2,399,922
10,930,440	Alphabet Inc.	1,314,205
9,226,640	Amazon.Com Inc.	1,202,785
2,480,064	Nvidia Corp.	1,049,117
2,323,310	Tesla Inc.	608,173
2,097,756	Meta Platforms Inc.	602,014
606,602	Broadcom Inc.	526,185
1,542,003	Berkshire Hathaway Inc.	525,823
2,098,820	Visa Inc.	498,428
1,000,896	UnitedHealth Group Inc.	481,070
3,908,629	Merck & Co. Inc.	451,017
1,332,086	The Home Depot Inc.	413,799
2,601,752	Chevron Corporation	409,386
3,816,567	Exxon Mobil Corporation	409,327
2,446,570	Johnson & Johnson	404,956
2,753,899	JPMorgan Chase & Co.	400,527
1,985,795	PepsiCo Inc.	367,809
2,572,331	AbbVie Inc.	346,570
5,676,800	Coca Cola Co	341,857
Total of 20 Largest Equity Holdings		$ 15,372,459
Total Equity Holdings		$ 68,386,851

Ten Largest Fixed-Income Holdings*

Description	Maturity Date	Interest Rate %	Par Value (in thousands)	Fair Value (in thousands)
US Treasury Note	11/15/2024	2.250	1,297,000	$ 1,245,525
US Treasury Note	12/15/2024	1.000	1,120,000	1,054,069
US Treasury Note	5/31/2024	2.500	1,000,000	973,945
US Treasury Note	11/15/2030	0.875	1,200,000	971,063
US Treasury Note	3/31/2025	2.625	920,000	883,092
US Treasury Note	5/15/2033	3.375	908,000	875,653
US Treasury Note	1/31/2025	2.500	860,000	825,365
US Treasury Note	3/31/2028	1.250	900,000	787,711
US Treasury Note	8/31/2025	2.750	810,000	775,891
US Treasury Note	2/15/2028	2.750	600,000	563,883
Total of 10 Largest Fixed-Income Holdings				$ 8,956,197
Total Fixed-Income Holdings				$ 24,550,200

* A complete listing is available upon written request, subject to restrictions of O. C. G. A. Section 47-1-14.

Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

May 10, 2023

Board of Trustees
Teachers Retirement System of Georgia
Suite 100, Two Northside 75
Atlanta, GA 30318

Members of the Board:

Section 47-3-23 of the law governing the operation of the Teachers Retirement System of Georgia provides that the actuary shall make annual valuations of the contingent assets and liabilities of the Retirement System on the basis of regular interest and the tables last adopted by the Board of Trustees. We have submitted the report giving the results of the actuarial valuation of the System prepared as of June 30, 2022. The report indicates that annual employer contributions at the rate of 20.78% of compensation for the fiscal year ending June 30, 2025 are sufficient to support the benefits of the System. Our firm, as actuary, is responsible for all of the actuarial trend data in the financial section of the annual report and the supporting schedules in the actuarial section of the annual report.

In our opinion, the valuation is complete and accurate, and the incorporated methodology and assumptions are reasonable as a basis for the valuation. The valuation takes into account the effect of all amendments to the System enacted through the 2022 Session of the General Assembly. In preparing the valuation, the actuary relied on data provided by the System. While not verifying data at the source, the actuary performed tests for consistency and reasonableness.

The System is funded on an actuarial reserve basis. The actuarial assumptions recommended by the actuary and adopted by the Board are both individually and, in the aggregate, reasonably related to the experience under the System and to reasonable expectations of anticipated experience under the System. The assumptions and methods used for funding and financial reporting purposes meet the parameters set by Actuarial Standards of Practice (ASOPs). The funding objective of the plan is that contribution rates over time will remain level as a percent of payroll. The valuation method used is the entry age normal cost method. The normal contribution rate to cover current cost has been determined as a level percent of payroll. Gains and losses are reflected in the unfunded accrued liability, which is amortized as a level percent of payroll in accordance with the funding policy adopted by the Board.

The Plan and the employers are required to comply with the financial reporting requirements of GASB Statements No. 67 and 68. The necessary disclosure information is provided in separate supplemental reports.

We have provided the following information and supporting schedules for the Actuarial Section of the Annual Comprehensive Annual Report:

- Summary of Actuarial Assumptions and Methods
- Schedule of Active Members
- Schedule of Retirees and Beneficiaries Added to and Removed from Rolls
- Schedule of Funding Progress
- Analysis of Financial Experience

The System is being funded in conformity with the minimum funding standard set forth in Code Section 47-20-10 of the Public Retirement Systems Standards Law. In our opinion, the System is operating on an actuarially sound basis. Assuming that contributions to the System are made by the employer from year to year in the future at the rates recommended on the basis of the successive actuarial valuations, the continued sufficiency of the retirement fund to provide the benefits called for under the System may be reasonably anticipated.

In order to prepare the results in this report, 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.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

The actuarial computations presented in this report are for purposes of determining the recommended funding amounts for the System. Use of these computations for purposes other than meeting these requirements may not be appropriate.

This is to certify that John Garrett and Ed Koebel are members of the American Academy of Actuaries and have experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

Sincerely yours,

John J. Garrett, ASA, FCA, MAAA
Principal and Consulting Actuary

Cathy Turcot
Principal and Managing Director

Edward J. Koebel, EA, FCA, MAAA
Chief Executive Officer

SUMMARY OF ACTUARIAL ASSUMPTIONS & METHODS

The laws governing the Teachers Retirement System of Georgia (the System) provide that an actuary perform an annual valuation of the contingent assets and liabilities of the System and perform at least once every five years an actuarial investigation of the mortality, service, and compensation experience of the members and beneficiaries of the System. The latest actuarial valuation of the System, prepared as of June 30, 2022, was made on the basis of the funding policy adopted by the Board on May 11, 2022 and the 5-year experience study adopted by the Board on May 13, 2020, with the exception of the investment rate of return and payroll growth assumption adopted May 11, 2022 and the salary increases assumptions adopted by the Board on May 15, 2019. The Board is responsible for maintaining this funding policy. A summary of plan provisions can be found in the Introductory Section beginning on page 11, and a plan description can be found in the Financial Section beginning on page 21.

The more pertinent facts and significant assumptions underlying the computations included in the June 30, 2022 valuation are as follows:

a) Actuarial Method Used

The actuarial cost method used for funding purposes is the Entry Age Normal method, which is the same cost method used for financial reporting purposes. The Entry Age Normal method is the most commonly used funding method among public retirement plans. This cost method allocates the cost of benefits over each member's expected career as a level percentage of their expected salary and demonstrates the highest degree of stability in the calculation of a plan's normal cost over time. Gains and losses are reflected in the unfunded accrued liability. Adopted November 20, 2013.

b) Investment Rate of Return

The assumed investment rate of return is 6.90% compounded annually, which consists of a 4.40% assumed real rate of return and a 2.50% assumed annual rate of inflation. This long-term expected rate of return is used to determine the total pension liability for financial reporting purposes. Adopted May 11, 2022.

c) Salary Increases

Salaries are expected to increase 3.00% to 8.75% annually depending upon the members' years of creditable service. The salary increase includes a 0.50% assumed real rate of wage inflation and a 2.50% assumed annual rate of inflation. Adopted May 15, 2019.

d) Death, Disability and Withdrawal Rates

Death, disability and withdrawal rates for active employees and service retirement tables are based upon the System's historical experience. The death-after-retirement rates are based on the Pub-2010 Teachers Headcount Weighted Below Median Healthy Retiree mortality table (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally is used for death after service retirement and beneficiaries. The rates of improvement have been reduced by 20% for all years prior to the ultimate rate. The Pub-2010 Teachers Mortality Table fro Disabled Retirees (ages set forward one year and adjusted 106%) with the MP-2019 Projection scale applied generationally is used for death after disability retirement. The rates of improvement have been reduced by 20% for all years prior to the ultimate rate. Adopted May 13, 2020.

e) Asset Valuation Method

The actuarial value of assets recognizes a portion of the difference between the fair value of the assets and the expected fair value of assets, based on the assumed valuation rate of return. In accordance with the funding policy, the asset smoothing methodology was modified for the June 30, 2021 valuation in order to mitigate the impact of the assumption and methodology changes mentioned in this summary. The amount of asset gain recognized this year was an amount such that the total unfunded actuarial accrued liability (UAAL) was the same as if no assumptions or methods had been changed. The remaining unrecognized gain will be spread equally over the subsequent 4-year period. The actuarial value of assets in subsequent valuations will be determined by recognizing the annual differences between actual and expected market value of assets equally over a 5-year period. Adopted May 11, 2022. The actuarial value of assets is limited to a range between 75% and 125% of fair value. Adopted July 27, 2011.

f) Service Retirement Benefit

The service benefit (pension) paid to members is an annuity that is owed to them at retirement that will provide a total annual pension equal to 2% of the member's average compensation over the two consecutive years of membership service producing the highest such average, multiplied by the number of years of creditable service up to 40 years. It is also assumed that certain cost-of-living adjustments will be made in future years.

g) Actuarially Determined Unfunded Accrued Liability

In accordance with the funding policy, a new transitional UAAL amortization base was defined as of June 30, 2021. The present value of this UAAL, based on unaudited data provided the actuary by the System, was approximately $23.6 billion. The transitional base will be amortized over a period not to exceed 23 years. The amortization period for future incremental UAAL bases was reduced from 30 years to 25 years. Adopted May 11, 2022.

h) Required Contributions (% of compensation)

Contributions required by the annual actuarial valuation as of June 30, 2022, to be made for the year ended June 30, 2025:

(1) Member	**6.00 %**
(2) Employer:	
Normal	**8.65 %**
Unfunded Accrued Liability	**12.13 %**
Total	**20.78 %**

Service Retirement

Adopted May 13, 2020

	Male		Female	
Age	< 30 years of service	≥ 30 years [1] of service	< 30 years of service	≥ 30 years [2] of service
50	3.00%	52.00%	2.75%	50.00%
55	5.00	37.00	5.75	35.00
60	20.00	34.00	25.00	40.00
61	18.00	30.00	25.00	40.00
62	25.00	35.00	25.00	43.00
63	22.00	28.00	25.00	43.00
64	22.00	28.00	24.00	43.00
65	27.00	27.00	32.00	32.00
66	32.00	32.00	32.00	32.00
67	30.00	30.00	32.00	32.00
68	30.00	30.00	30.00	30.00
69	30.00	30.00	30.00	30.00
70	30.00	30.00	30.00	30.00

(1) An additional 10% are assumed to retire at 30 years of service for ages between 50 and 64.
(2) An additional 15% are assumed to retire at 30 years of service for ages between 50 and 61.

Separation Before Service Retirement

Adopted May 13, 2020

Age	Death [1]	Disability		Withdrawal Years of Service 0-4 Yrs	5-9 Yrs	10+ Yrs.
			Male			
20	0.0375%	—%		27.00%	—%	—%
25	0.0336	—		17.00	13.00	—
30	0.0437	—		14.00	6.50	6.00
35	0.0549	0.0165		14.00	6.25	3.50
40	0.0714	0.0275		13.00	6.25	2.75
45	0.1087	0.0720		13.00	6.00	2.50
50	0.1799	0.1360		11.25	5.75	2.75
55	0.2828	0.2400		11.75	5.50	3.25
60	0.4441	—		12.00	6.00	—
64	0.6475	—		15.00	7.50	—
			Female			
20	0.0139%	—%		28.00%	—%	—%
25	0.0148	—		13.50	12.00	—
30	0.0235	—		13.50	7.00	6.00
35	0.0345	0.0152		13.00	7.00	4.00
40	0.0493	0.0312		12.00	6.50	3.00
45	0.0728	0.0650		10.75	6.00	2.50
50	0.1107	0.1400		10.75	5.50	3.00
55	0.1687	0.3400		10.75	5.00	3.00
60	0.2554	—		11.50	5.50	—
64	0.3665	—		15.00	7.50	—

Annual Rate of: Death, Disability, Withdrawal.

(1) The Pub-2010 Teachers Headcount Weighted Below Median Employee mortality table with ages set forward one year and adjusted 106% is used for death prior to retirement. Future improvement in mortality rates is assumed using the MP-2019 projection scale generationally. These rates of improvement have been reduced by 20% for all years prior to the ultimate rate. The proposed rates shown above are based on a projection to 2015. Actual mortality rates would be projected generationally.

Active Members

Fiscal Year(1)	Number of Participating Employers	Members	Annual Payroll(2) (000's)	Average Pay	% Increase
2013	401	209,854	$ 9,924,682	$ 47,293	0.7%
2014	405	209,828	9,993,686	47,628	0.7
2015	414	213,990	10,347,332	48,354	1.5
2016	416	218,193	10,783,277	49,421	2.2
2017	419	222,902	11,333,997	50,847	2.9
2018	422	226,039	11,704,334	51,780	1.8
2019	426	226,366	11,882,828	52,494	1.4
2020	430	231,032	12,737,375	55,133	5.0
2021	434	227,926	12,728,936	55,847	1.3
2022	434	230,326	13,224,129	57,415	2.8

(1) Fiscal year refers to the actuarial valuation performed as of June 30 of that year and determines the funding necessary for the fiscal year beginning two years after the valuation date. An actuarial valuation for the fiscal year ended June 30, 2023 is currently in process and was not available for this analysis.

(2) The annual payroll shown in the schedule of active member valuation data is the annual compensation of the active members at the date of the valuation. The covered payroll reported in the financial section represents the payroll during the fiscal year upon which employer contributions were made.

Retirees and Beneficiaries

	Added to Roll		*Removed from Roll*		*Roll-End of Year*			
Fiscal Year[1]	**Number**	**Annual Allowances (000's)**	**Number**	**Annual Allowances (000's)**	**Number**	**Annual Allowances (000's)**	**% Increase in Annual Allowances**	**Average Annual Allowances**
2013	7,937	322,853	1,983	59,453	103,271	3,608,913	7.9%	34,946
2014	7,078	291,066	2,195	68,324	108,154	3,831,655	6.2	35,428
2015	7,207	306,751	2,237	72,818	113,124	4,065,588	6.1	35,939
2016	7,225	312,063	2,392	80,359	117,957	4,297,292	5.7	36,431
2017	7,189	318,594	2,459	84,596	122,687	4,531,290	5.4	36,934
2018	7,345	341,242	2,732	98,829	127,300	4,773,703	5.3	37,500
2019	7,247	347,533	2,727	100,233	131,820	5,021,003	5.2	38,090
2020	6,894	346,319	3,036	114,317	135,678	5,253,005	4.6	38,717
2021	7,915	391,351	3,728	144,560	139,865	5,499,796	4.7	39,322
2022	7,762	403,232	3,584	142,734	144,043	5,760,294	4.7	39,990

[1] Fiscal year refers to the actuarial valuation performed as of June 30 of that year and determines the funding necessary for the fiscal year beginning two years after the valuation date. An actuarial valuation for the fiscal year ended June 30, 2023 is currently in process and was not available for this analysis.

Solvency Test (dollars in thousands)

Fiscal Year[1]	Aggregate Actuarial Accrued Liabilities For: (1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active Members (Employer-Financed Portion)	Actuarial Value of Assets	Portion of Accrued Liabilities Covered by Assets: (1)	(2)	(3)
2013	$7,480,767	$43,152,402	$21,587,696	$58,594,837	100.0 %	100.0 %	36.9 %
2014	7,815,630	45,841,742	22,114,745	62,061,722	100.0	100.0	38.0
2015	8,153,958	50,251,964	24,385,088	65,514,119	100.0	100.0	29.1
2016	8,522,267	55,186,998	28,012,510	68,161,710	100.0	100.0	15.9
2017	8,936,010	57,659,259	29,385,762	71,212,660	100.0	100.0	15.7
2018	9,350,031	58,993,494	28,561,728	75,024,364	100.0	100.0	23.4
2019	9,791,208	61,856,920	30,191,271	78,126,922	100.0	100.0	21.5
2020	10,320,195	64,144,338	32,724,242	81,632,571	100.0	100.0	21.9
2021	10,787,139	68,862,439	36,053,989	94,048,970	100.0	100.0	39.9
2022	11,241,201	71,651,571	37,597,783	96,867,918	100.0	100.0	37.2

[1]Fiscal year refers to the actuarial valuation performed as of June 30 of that year and determines the funding necessary for the fiscal year beginning two years after the valuation date. An actuarial valuation for the fiscal year ended June 30, 2023 is currently in process and was not available for this analysis.

Member & Employer Contribution Rates

Fiscal Year	Member	Employer
2015	6.00%	13.15%
2016	6.00	14.27
2017	6.00	14.27
2018	6.00	16.81
2019	6.00	20.90
2020	6.00	21.14
2021	6.00	19.06
2022	6.00	19.81
2023	6.00	19.98
2024	6.00	19.98

Schedule of Funding Progress (dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (Funding Excess) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll [(1)] (c)	UAAL (Funding Excess) as a Percentage of Covered Payroll [(b-a)/c]
6/30/13	$ 58,594,837	$ 72,220,865	$ 13,626,028	81.1%	$ 9,924,682	137.3%
6/30/14	62,061,722	75,772,117	13,710,395	81.9	9,993,686	137.2
6/30/15	65,514,119	82,791,010	17,276,891	79.1	10,347,332	167.0
6/30/16	68,161,710	91,721,775	23,560,065	74.3	10,783,277	218.5
6/30/17	71,212,660	95,981,031	24,768,371	74.2	11,333,997	218.5
6/30/18	75,024,364	96,905,253	21,880,889	77.4	11,704,334	186.9
6/30/19 [(2)]	78,126,922	101,839,399	23,712,477	76.7	11,882,828	199.6
6/30/20	81,632,571	107,188,775	25,556,204	76.2	12,737,375	200.6
6/30/21 [(2)]	94,048,970	115,703,567	21,654,597	81.3	12,728,936	170.1
6/30/22	96,867,918	120,490,555	23,622,637	80.4	13,224,129	178.6

[(1)] The annual covered payroll shown in the schedule of funding progress valuation data is the annual compensation of the active members at the date of the valuation. The covered payroll reported in the financial section represents the payroll during the fiscal year upon which employer contributions were made.

[(2)] Reflects change in assumptions.

This data, except for annual covered payroll, was provided by the System's actuary.

Analysis of Financial Experience (dollars in millions)

Item	Analysis of the Change in Unfunded Accrued Liability Increase (Decrease) During the Years Ended June 30,									
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**
Interest Added to Previous										
Unfunded Accrued Liability	$ 1,494.2	$ 1,852.8	$ 1,719.2	$ 1,586.4	$ 1,733.8	$ 1,649.2	$ 1,300.9	$ 1,077.6	$ 1,084.6	$ 977.8
Accrued Liability Contribution	(1,761.3)	(1,681.3)	(2,027.0)	(1,834.2)	(1,261.0)	(929.4)	(985.4)	(796.1)	(662.0)	(604.7)
Experience:										
Valuation Asset Growth[1]	1,339.4	(8,785.7)	348.2	558.1	(925.3)	(539.2)	150.9	(677.3)	(836.1)	1,241.1
Pensioners' Mortality	(40.1)	(112.5)	(26.4)	53.9	(32.4)	40.5	(13.4)	37.7	35.3	52.7
Turnover and Retirements	118.9	347.8	153.1	147.8	266.2	246.9	209.2	335.9	119.6	378.2
New Entrants	213.7	152.2	285.7	151.3	161.2	172.7	153.1	138.9	115.3	96.2
Salary Increases	451.8	(740.3)	1,066.8	(213.2)	(103.6)	327.9	72.3	(227.6)	(624.9)	(715.2)
Interest Smoothing	—	—	—	—	(2,744.0)	121.6	5,286.1	2,861.2	739.8	915.9
Change in Member Contribution Rate	—	—	—	—	—	—	—	—	—	—
Assumption and Method Changes[2]	—	4,913.9	—	1,204.2	(133.4)	—	—	688.3	—	(926.7)
Miscellaneous	151.4	151.5	324.1	177.3	151.0	118.1	109.5	127.9	112.8	124.4
Total Increase	$ 1,968.0	$ (3,901.6)	$ 1,843.7	$ 1,831.6	$ (2,887.5)	$ 1,208.3	$ 6,283.2	$ 3,566.5	$ 84.4	$ 1,539.7

[1] Valuation Asset Growth

2021 - Includes the immediate recognition of the amount necessary to offset the impact of the reduction in the assumed annual rate of return on investments.

[2] Assumption and Method Changes

2013 - Reflects change to asset smoothing methodology where the final actuarial value of assets used for the current valuation was set to the fair value of assets as of June 30, 2013. Five-year smoothing of investment gains and losses will commence in subsequent years.

2015 - The assumed rates of withdrawal, disability, retirement, and mortality and the assumed rates of salary increase have been revised to more closely reflect the actual and anticipated experience of the System. In addition, assumptions related to percent married, unused sick leave, and termination benefits were also revised.

2018 - Reflects elimination of the interest smoothing methodology and the reductions in the long-term discount rate and the inflation assumption.

2019 - The assumed rates of withdrawal, disability, retirement, mortality, and the assumed rates of salary increase and administrative expenses have been revised to more closely reflect the actual and anticipated experience of the System.

2021 - Reflects a reduction in the assumed annual rate of return on investments from 7.25% to 6.90%.

The statistical section presents additional information to provide financial statement users with added historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess the System's financial condition.

Financial Trends

The schedules presented on pages 66 through 67 contain trend information to help the reader understand how the System's financial position has changed over time.

Operating Information

The schedules presented on pages 68 through 74 contain benefits, service, and employer data to help the reader understand how the System's financial report relates to the services of the System and the activities it performs.

Additions by Source (dollars in thousands)

Fiscal Year	Member Contributions	Employer and Nonemployer Contributions	Net Investment Income (Loss)	Total Additions to (Deductions from) Fiduciary Net Position
2014	$ 640,120	$ 1,270,963	$ 9,826,743	$11,737,826
2015	661,835	1,406,706	2,384,145	4,452,686
2016	685,626	1,580,532	810,574	3,076,732
2017	716,233	1,654,844	7,971,677	10,342,754
2018	745,574	2,018,724	6,247,155	9,011,453
2019	759,474	2,566,403	4,972,419	8,298,296
2020	800,864	2,738,818	4,119,609	7,659,291
2021	817,090	2,495,527	23,192,761	26,505,378
2022	853,376	2,696,714	(12,770,564)	(9,220,474)
2023	911,542	2,929,096	10,097,823	13,938,461

Contributions were made in accordance with actuarially determined contribution requirements

Deductions by Type (dollars in thousands)

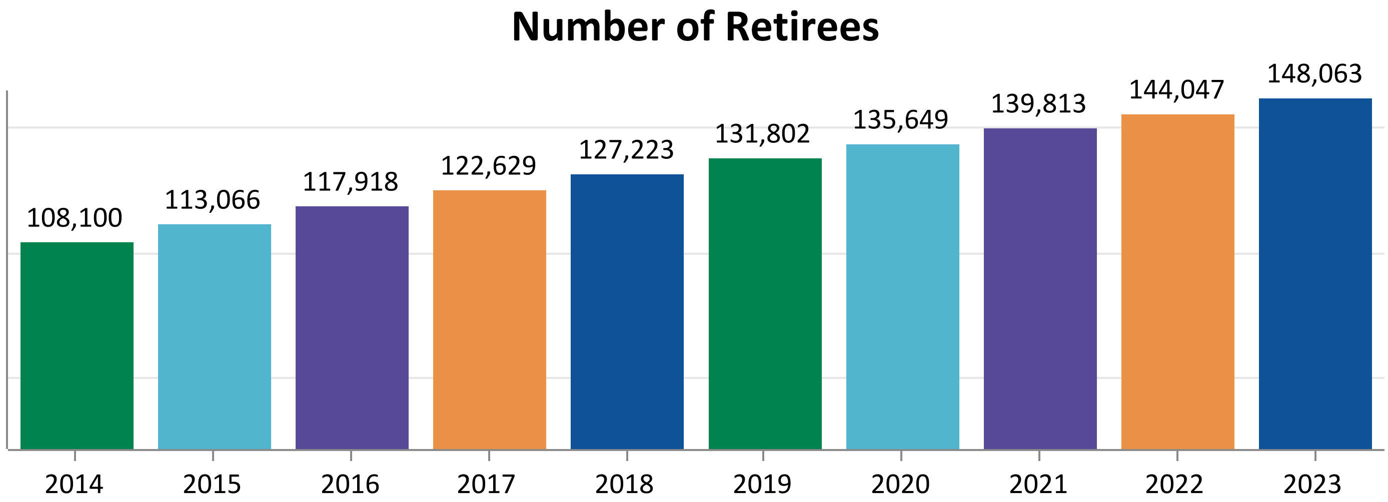
	Benefit Payments									
Fiscal Year	Service	Partial Lump-Sum Option	Disability	Survivor Benefits	Supplemental Payments[1]	Lump-Sum Death Settlement	Total Benefit Payments	Net Administrative Expenses	Refunds	Total Deductions From Fiduciary Net Position
2014	$3,569,374	$33,148	$98,145	$61,203	$508	$2,074	$3,764,452	$15,025	$87,095	$3,866,572
2015	3,791,526	34,494	103,483	64,911	379	2,086	3,996,879	14,996	80,085	4,091,960
2016	4,015,786	33,929	109,669	67,013	312	2,110	4,228,819	15,279	79,334	4,323,432
2017	4,241,760	31,839	114,813	70,179	297	2,236	4,461,124	16,773	76,296	4,554,193
2018	4,473,928	32,100	118,567	73,385	250	1,690	4,699,920	15,865	76,061	4,791,846
2019	4,714,549	32,714	124,071	76,912	204	2,015	4,950,465	15,276	76,543	5,042,284
2020	4,951,973	28,420	128,984	80,529	181	2,196	5,192,283	17,411	76,976	5,286,670
2021	5,182,724	34,084	131,500	83,773	152	2,181	5,434,414	16,668	69,166	5,520,248
2022	5,437,097	29,896	134,799	88,105	113	2,022	5,692,032	16,470	94,853	5,803,355
2023	5,691,568	32,042	138,837	91,547	87	3,299	5,957,380	23,285	89,460	6,070,125

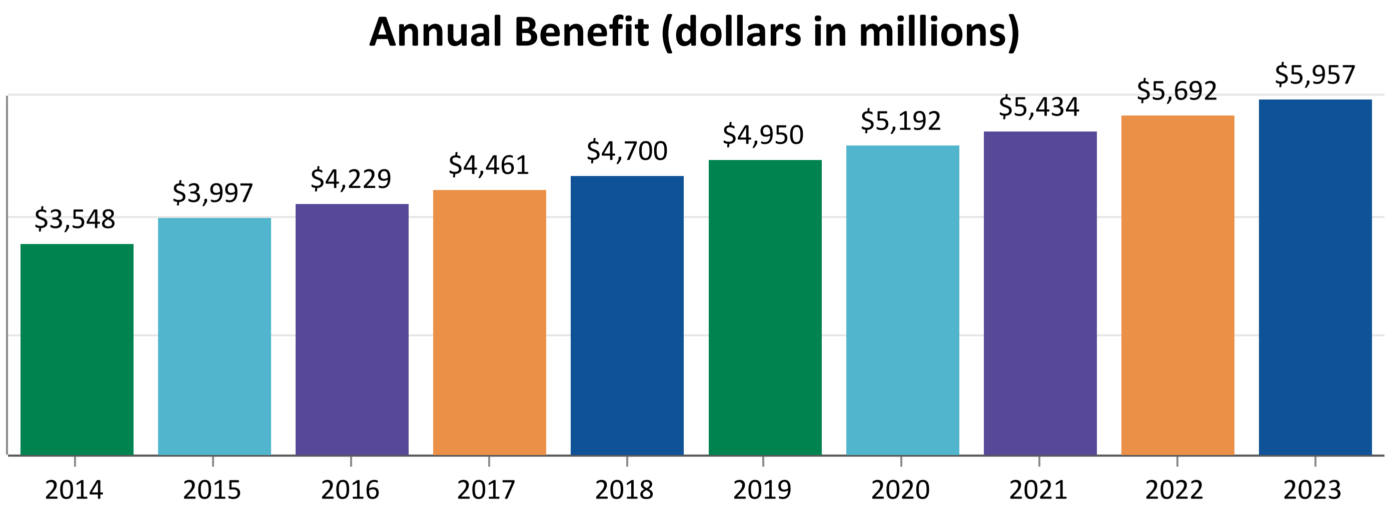
(1) Supplemental payments to retirees who belong to a local retirement system.

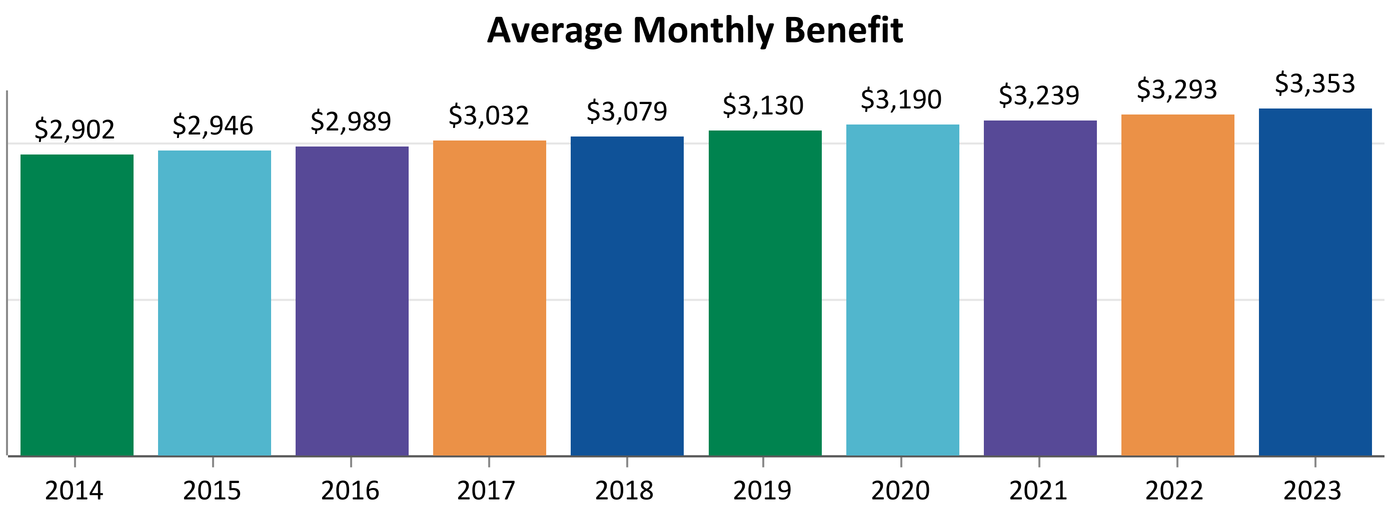
Changes in Fiduciary Net Position (dollars in thousands)

Fiscal Year	Total Additions to (Deductions from) Fiduciary Net Position	Total Deductions from Fiduciary Net Position	Changes in Fiduciary Net Position
2014	$ 11,737,826	$ 3,866,572	$ 7,871,254
2015	4,452,686	4,091,960	360,726
2016	3,076,732	4,323,432	(1,246,700)
2017	10,342,754	4,554,193	5,788,561
2018	9,011,453	4,791,846	4,219,607
2019	8,298,296	5,042,284	3,256,012
2020	7,659,291	5,286,670	2,372,621
2021	26,505,378	5,520,248	20,985,130
2022	(9,220,474)	5,803,355	(15,023,829)
2023	13,938,461	6,070,125	7,868,336

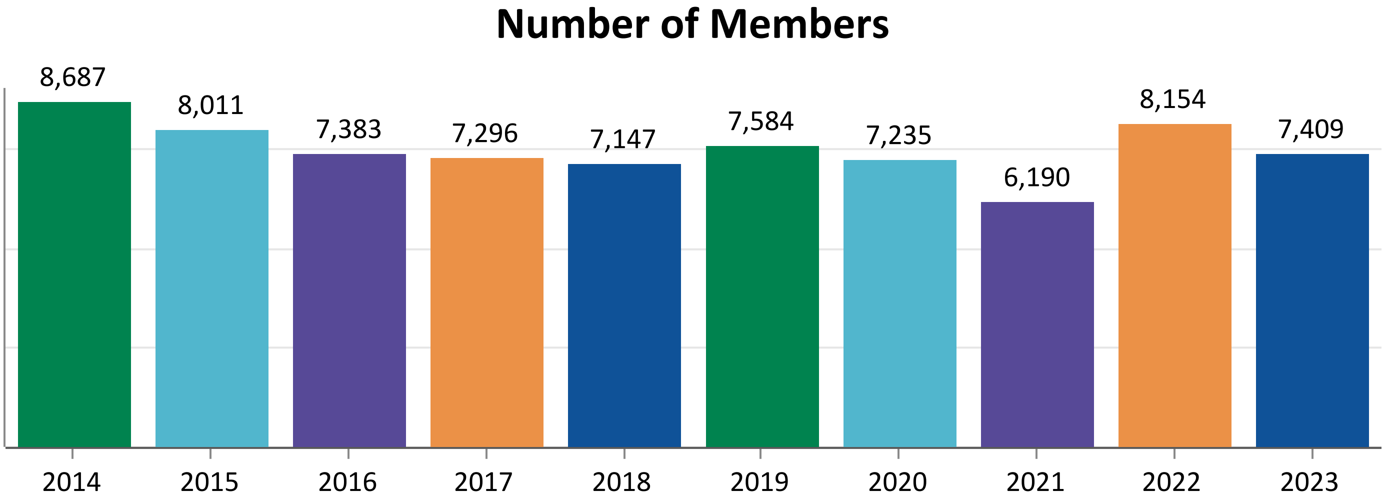
Benefit Payment Statistics

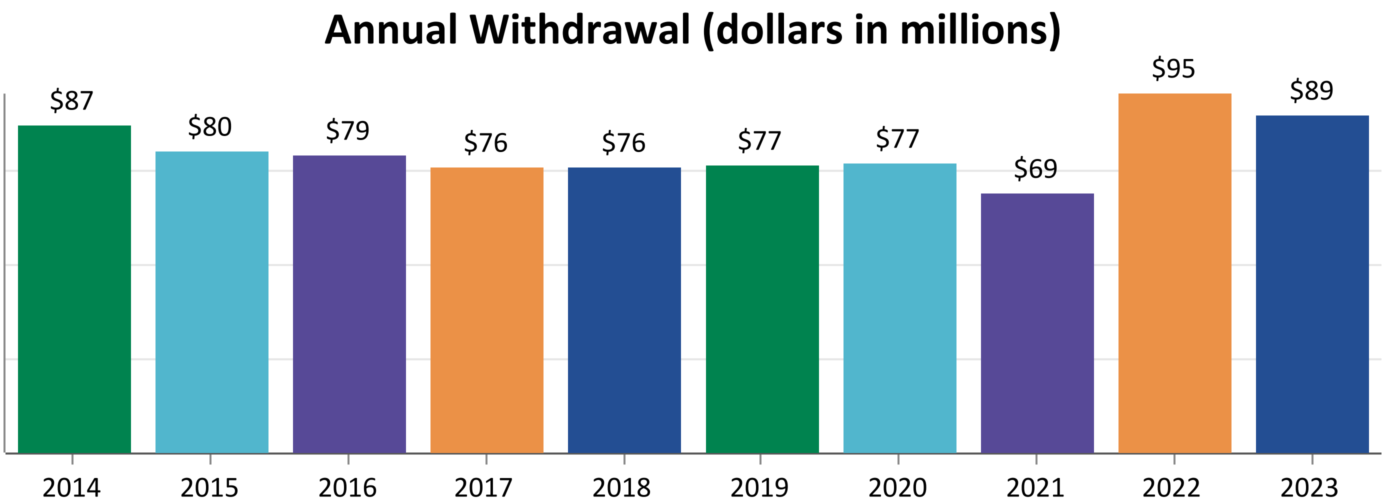


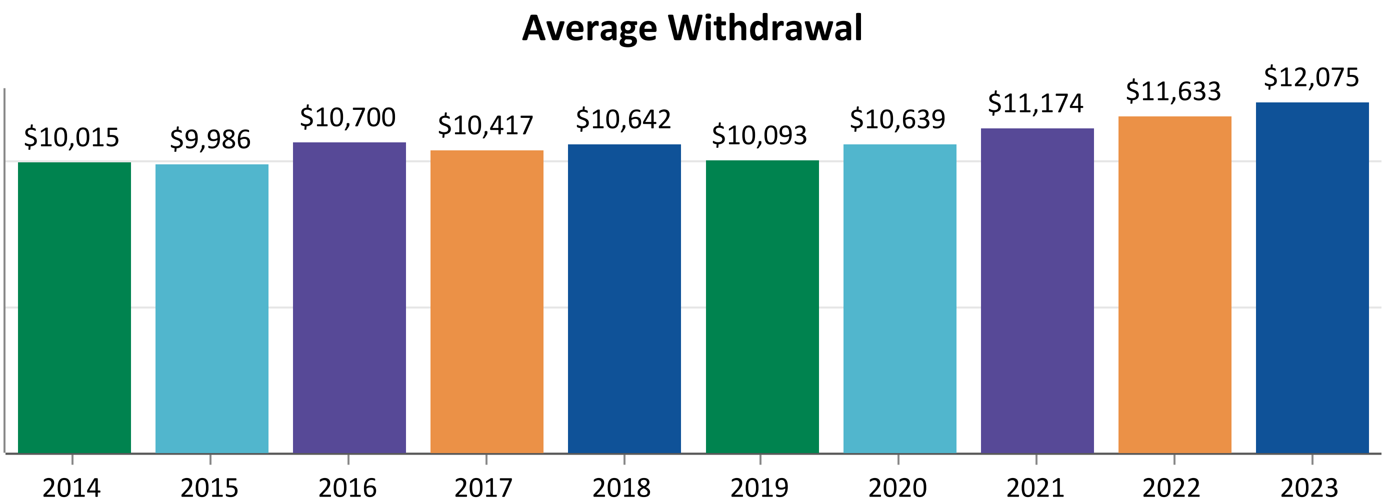




Member Withdrawal Statistics







Average Monthly Benefit Payments for New Retirees

	Years Credited Service					
Effective Retirement Dates for Fiscal Years Ended June 30,	**10 - 15**	**16 - 20**	**21 - 25**	**26 - 30**	**Over 30**	**Total**
2014						
Average monthly benefit	$877.35	$1,410.94	$1,902.93	$2,515.64	$3,556.03	$2,152.62
Average final average salary	$3,801.40	$4,136.09	$4,454.29	$4,962.86	$5,868.78	$4,736.63
Number of retirees	1,744	1,066	1,169	994	2,099	7,072
2015						
Average monthly benefit	$897.66	$1,416.36	$2,008.34	$2,566.87	$3,573.41	$2,217.71
Average final average salary	$3,818.45	$4,161.17	$4,635.36	$5,007.10	$5,900.24	$4,812.42
Number of retirees	1,659	1,119	1,164	1,035	2,190	7,167
2016						
Average monthly benefit	$883.07	$1,447.47	$1,979.68	$2,582.75	$3,496.30	$2,207.94
Average final average salary	$3,786.36	$4,215.09	$4,558.19	$5,046.61	$5,796.47	$4,786.10
Number of retirees	1,695	1,094	1,130	1,001	2,297	7,217
2017						
Average monthly benefit	$870.72	$1,455.45	$1,997.91	$2,588.80	$3,535.59	$2,220.50
Average final average salary	$3,778.31	$4,230.72	$4,657.44	$5,139.34	$5,877.02	$4,839.84
Number of retirees	1,692	1,120	1,089	973	2,300	7,174
2018						
Average monthly benefit	$880.97	$1,503.44	$2,106.91	$2,703.58	$3,625.69	$2,331.31
Average final average salary	$3,789.48	$4,388.19	$4,882.12	$5,295.62	$6,009.09	$4,997.10
Number of retirees	1,609	1,184	1,090	967	2,471	7,321
2019						
Average monthly benefit	$932.13	$1,504.91	$2,051.21	$2,709.96	$3,638.98	$2,330.77
Average final average salary	$3,964.41	$4,434.82	$4,826.46	$5,401.88	$6,125.55	$5,080.38
Number of retirees	1,537	1,206	1,188	909	2,395	7,235
2020						
Average monthly benefit	$948.76	$1,535.47	$2,086.78	$2,702.45	$3,692.62	$2,371.48
Average final average salary	$3,980.66	$4,512.99	$4,875.02	$5,322.40	$6,140.51	$5,107.67
Number of retirees	1,443	1,168	1,127	822	2,330	6,890
2021						
Average monthly benefit	$959.48	$1,590.49	$2,170.32	$2,821.35	$3,851.38	$2,472.46
Average final average salary	$4,001.19	$4,523.33	$5,031.91	$5,608.36	$6,295.60	$5,233.87
Number of retirees	1,642	1,263	1,280	1,055	2,623	7,863
2022						
Average monthly benefit	$1,013.12	$1,600.94	$2,214.83	$2,938.15	$3,987.82	$2,573.00
Average final average salary	$4,193.53	$4,704.75	$5,123.28	$5,736.34	$6,598.17	$5,450.90
Number of retirees	1,426	1,274	1,397	1,167	2,500	7,764
2023						
Average monthly benefit	$1,001.01	$1,717.28	$2,248.91	$3,016.78	$4,023.10	$2,613.58
Average final average salary	$4,199.50	$5,030.74	$5,273.58	$5,962.86	$6,667.95	$5,584.89
Number of retirees	1,388	1,231	1,251	1,120	2,374	7,364

Retired Members by Type of Benefit

Amount of Monthly Benefit	Number of Retirees	Type of Retirement [1] A	B	C	D	Option Selected [2] Max	Opt-1	Opt-2	Opt-3	Opt-4	Opt-2 Pop-Up	Opt-3 Pop-Up
1 - 500	4,732	3,900	324	501	7	2,492	130	1,144	290	158	410	106
500 - 1000	15,087	13,237	1,007	841	2	8,903	550	2,734	643	181	1,579	498
1000 - 1500	16,271	14,540	970	759	2	9,316	606	2,849	768	105	1,924	703
1500 - 2000	13,145	11,796	789	560	—	7,290	507	2,231	638	93	1,695	691
2000 - 2500	11,320	10,264	644	412	—	5,999	464	1,920	621	95	1,489	732
2500 - 3000	10,542	9,712	547	282	1	5,499	436	1,640	572	103	1,537	756
3000 - 3500	11,004	10,319	493	192	—	5,524	475	1,698	629	127	1,738	813
3500 - 4000	11,965	11,461	354	150	—	6,390	561	1,579	620	185	1,768	862
4000 - 4500	11,620	11,296	220	104	—	6,620	537	1,349	564	156	1,578	816
4500 - 5000	11,146	10,973	114	59	—	6,834	609	1,063	514	174	1,229	723
5000 - 5500	8,809	8,711	52	46	—	5,588	463	805	409	143	849	552
5500 - 6000	6,238	6,162	29	47	—	4,051	341	585	279	99	549	334
6000 - 6500	4,338	4,306	13	19	—	2,783	251	392	220	79	363	250
6500 - 7000	2,994	2,975	9	10	—	1,856	157	339	173	67	246	156
7000 - 7500	2,203	2,181	5	17	—	1,322	127	277	123	46	176	132
7500 - 8000	1,615	1,601	2	12	—	958	84	211	102	36	124	100
8000 - 8500	1,198	1,189	1	8	—	672	86	168	90	32	81	69
8500 - 9000	867	854	3	10	—	504	40	138	65	28	54	38
9000 - 9500	687	680	1	6	—	403	39	87	46	19	59	34
9500 - 10000	523	517	2	4	—	278	36	77	44	22	38	28
Over 10000	1,759	1,742	2	15	—	754	67	412	193	84	138	111
TOTALS	**148,063**	**138,416**	**5,581**	**4,054**	**12**	**84,036**	**6,566**	**21,698**	**7,603**	**2,032**	**17,624**	**8,504**

[1] Type of Retirement
A - Service
B - Disability
C - Survivor Benefit
D - Supplemental payments to retirees who belonged to a local retirement system.

[2] Refer to Summary of Plan Provisions, beginning on page 11 for descriptions of Options.

Retirement Payments by County of Residence During Fiscal Year 2023

County	Number of Retirees	FY23 Total Gross Pay (in thousands)	County	Number of Retirees	FY23 Total Gross Pay (in thousands)
Appling	375	$ 14,809	Dade	152	$ 5,362
Atkinson	111	4,312	Dawson	377	15,255
Bacon	207	7,735	Decatur	393	14,811
Baker	51	1,993	DeKalb	6,995	319,030
Baldwin	872	32,790	Dodge	349	12,720
Banks	217	7,786	Dooly	167	6,385
Barrow	932	33,640	Dougherty	1,655	67,891
Bartow	1,305	48,335	Douglas	1,106	41,693
Ben Hill	293	10,608	Early	254	9,735
Berrien	294	10,746	Echols	49	1,653
Bibb	2,058	78,347	Effingham	734	23,609
Bleckley	320	11,657	Elbert	369	12,532
Brantley	218	7,408	Emanuel	461	17,815
Brooks	268	9,536	Evans	181	6,214
Bryan	457	15,510	Fannin	487	19,281
Bulloch	1,686	65,414	Fayette	2,248	96,655
Burke	364	12,235	Floyd	1,739	70,960
Butts	322	12,250	Forsyth	1,943	77,600
Calhoun	116	4,093	Franklin	459	17,409
Camden	565	20,893	Fulton	7,103	326,780
Candler	213	7,377	Gilmer	563	22,558
Carroll	2,197	83,147	Glascock	37	1,031
Catoosa	708	25,030	Glynn	1,636	69,230
Charlton	117	4,448	Gordon	700	26,096
Chatham	3,413	131,013	Grady	378	14,495
Chattahoochee	34	1,356	Greene	391	17,969
Chattooga	362	13,134	Gwinnett	6,479	249,176
Cherokee	3,200	127,581	Habersham	776	30,151
Clarke	3,590	164,277	Hall	2,866	120,099
Clay	54	2,106	Hancock	189	6,507
Clayton	1,577	58,786	Haralson	462	16,295
Clinch	120	4,829	Harris	759	29,256
Cobb	7,411	297,362	Hart	504	21,078
Coffee	643	24,024	Heard	146	4,894
Colquitt	733	28,117	Henry	2,292	90,067
Columbia	2,844	111,771	Houston	2,037	77,778
Cook	271	9,762	Irwin	179	6,911
Coweta	1,900	76,424	Jackson	1,479	56,603
Crawford	204	7,095	Jasper	257	9,820
Crisp	360	14,212	Jeff Davis	192	7,926

County	Number of Retirees	FY23 Total Gross Pay (in thousands)	County	Number of Retirees	FY23 Total Gross Pay (in thousands)
Jefferson	275	$ 10,263	Richmond	3,311	$ 118,524
Jenkins	158	5,503	Rockdale	1,014	40,791
Johnson	153	5,811	Schley	77	2,458
Jones	439	16,627	Screven	295	10,969
Lamar	324	12,217	Seminole	175	6,472
Lanier	109	3,904	Spalding	1,056	41,758
Laurens	880	35,046	Stephens	454	17,624
Lee	480	18,100	Stewart	84	3,244
Liberty	462	15,123	Sumter	604	24,289
Lincoln	206	8,617	Talbot	107	3,488
Long	93	3,099	Taliaferro	20	759
Lowndes	1,940	72,771	Tattnall	257	9,108
Lumpkin	676	25,644	Taylor	153	5,668
Macon	183	6,405	Telfair	199	7,346
Madison	944	30,396	Terrell	147	5,265
Marion	118	3,821	Thomas	819	32,870
McDuffie	361	14,066	Tift	958	37,313
McIntosh	213	8,319	Toombs	409	15,418
Meriwether	303	11,125	Towns	310	12,628
Miller	112	4,268	Treutlen	129	4,565
Mitchell	296	10,648	Troup	986	37,955
Monroe	485	19,001	Turner	178	6,263
Montgomery	198	7,681	Twiggs	100	3,142
Morgan	510	21,564	Union	508	20,688
Murray	451	17,932	Upson	482	17,402
Muscogee	2,655	103,095	Walker	709	25,900
Newton	1,085	39,904	Walton	1,453	56,164
Oconee	1,723	79,863	Ware	581	22,483
Oglethorpe	538	18,397	Warren	78	2,883
Paulding	1,335	45,419	Washington	329	12,735
Peach	546	21,830	Wayne	494	17,384
Pickens	803	32,255	Webster	39	1,402
Pierce	333	12,173	Wheeler	110	4,684
Pike	393	14,650	White	615	23,944
Polk	575	22,975	Whitfield	1,137	46,081
Pulaski	178	6,962	Wilcox	162	6,779
Putnam	511	21,144	Wilkes	217	7,890
Quitman	29	937	Wilkinson	160	5,518
Rabun	381	16,841	Worth	323	11,633
Randolph	126	4,779	Outside GA	20,080	753,442
			Total Benefit Payments		**$ 5,957,380**

Principal Participating Employers

	2023			2014		
Employers	**Covered Employees**	**Rank**	**Percentage of Total System**	**Covered Employees**	**Rank**	**Percentage of Total System**
State of Georgia	37,328	1	15.82 %	35,279	1	16.81 %
Gwinnett County Schools	18,985	2	8.05 %	15,789	2	7.52 %
Cobb County Schools	11,750	3	4.98 %	10,644	3	5.07 %
Dekalb County Schools	10,137	4	4.30 %	9,814	4	4.68 %
Fulton County Schools	9,780	5	4.14 %	9,695	5	4.62 %
Atlanta Public Schools	5,645	6	2.39 %	5,330	6	2.54 %
Clayton County Schools	5,606	7	2.38 %	4,855	7	2.31 %
Forsyth County Schools	4,978	8	2.11 %	—	—	— %
Chatham County Schools	4,525	9	1.92 %	4,200	8	2.00 %
Cherokee County Schools	4,367	10	1.85 %	—	—	— %
Henry County Schools	—	—	— %	3,828	9	1.82 %
Muscogee County School District	—	—	— %	3,574	10	1.70 %
Top 10	**113,101**		**47.94 %**	**103,008**		**49.07 %**
Total	**235,912**		**100.00 %**	**209,855**		**100.00 %**

Reporting Entities

Universities and Colleges

Abraham Baldwin Agricultural College
Albany State University
Atlanta Metropolitan State College
Augusta University
Clayton College & State University
College of Coastal Georgia
Columbus State University
Cooperative Extension Service
Dalton State College
East Georgia State College
Fort Valley State University
Georgia Southwestern State University
Georgia College & State University
Georgia Gwinnett College
Georgia Highlands College
Georgia Institute of Technology
Georgia Military College
Georgia Southern University
Georgia State University
Gordon College
Kennesaw State University
Middle Georgia State College
Savannah State University
South Georgia State College
The University of Georgia
University of North Georgia
University of West Georgia
Valdosta State University

Boards of Education

Appling County
Atkinson County
Atlanta Public
Bacon County
Baker County
Baldwin County
Banks County
Barrow County
Bartow County
Ben Hill County
Berrien County
Bibb County
Bleckley County
Brantley County
Bremen City
Brooks County
Bryan County
Buford City
Bulloch County
Burke County
Butts County
Calhoun City
Calhoun County
Camden County
Candler County
Carroll County
Carrollton City Schools
Cartersville City
Catoosa County
Charlton County
Chatham County
Chattahoochee County
Chattooga County
Cherokee County
Chickamauga City
Clarke County
Clay County
Clayton County
Clinch County
Cobb County
Coffee County
Colquitt County
Columbia County
Commerce City
Cook County
Coweta County
Crawford County
Crisp County
Dade County
Dalton City
Dawson County
Decatur City
Decatur County
DeKalb County
Dodge County
Dooly County
Dougherty County

Douglas County
Dublin City
Early County
Echols County
Effingham County
Elbert County
Emanuel County
Evans County
Fannin County
Fayette County
Floyd County
Forsyth County
Franklin County
Fulton County
Gainesville City
Gilmer County
Glascock County
Glynn County
Gordon County
Grady County
Greene County
Griffin-Spalding County
Gwinnett County
Habersham County
Hall County
Hancock County
Haralson County
Harris County
Hart County
Heard County
Henry County
Houston County
Irwin County
Jackson County
Jasper County
Jeff Davis County
Jefferson City
Jefferson County
Jenkins County
Johnson County
Jones County
Lamar County
Lanier County
Laurens County
Lee County
Liberty County
Lincoln County
Long County
Lowndes County
Lumpkin County
Macon County
Madison County
Marietta City
Marion County
McDuffie County
McIntosh County
Meriwether County
Miller County
Mitchell County
Monroe County
Montgomery County
Morgan County
Murray County
Muscogee County
Newton County
Oconee County
Oglethorpe County
Paulding County
Peach County
Pelham City
Pickens County
Pierce County
Pike County
Polk School District
Pulaski County
Putnam County
Quitman County
Rabun County
Randolph County
Richmond County
Rockdale County
Rome City
Schley County
Screven County
Seminole County
Social Circle City
Stephens County
Stewart County
Sumter County
Talbot County
Taliaferro County
Tattnall County

Taylor County
Telfair County
Terrell County
Thomas County
Thomaston-Upson County
Thomasville City
Tift County
Toombs County
Towns County
Treutlen County
Trion City
Troup County
Turner County
Twiggs County
Union County
Valdosta City
Vidalia City
Walker County
Walton County
Ware County
Warren County
Washington County
Wayne County
Webster County
Wheeler County
White County
Whitfield County
Wilcox County
Wilkes County
Wilkinson County
Worth County

Public Libraries

Athens Regional Library
Augusta Richmond County Library
Azalea Regional Library
Barnesville-Lamar County Library
Bartow County Library
Bartram Trail Regional Library
Brooks County Library
Catoosa County Library
Cherokee Regional Library
Chestatee Regional Library
Clayton County Regional Library
Coastal Plains Regional Library
Cobb County Public Library
Conyers-Rockdale Library System
Coweta Public Library
DeKalb County Public Library
DeSoto Trail Regional Library
Dougherty County Public Library
Elbert County Library
Flint River Regional Library
Forsyth County Public Library
Gwinnett County Public Library
Hall County Library
Hart County Library
Henry County Library
Houston County Public Library
Jefferson County Library System
Kinchafoonee Regional Library
Lake Blackshear Regional Library
Lee County Library
Lincoln County Library
Live Oak Public Libraries
Middle Georgia Regional Library
Moultrie-Colquitt County Library
Mountain Regional Library
Northeast Georgia Regional Library
Newton County Library
Northwest Georgia Regional Library
Ocmulgee Regional Library
Oconee Regional Library
Ohoopee Regional Library
Okefenokee Regional Library
Peach Public Library
Piedmont Regional Library
Pine Mountain Regional Library
Roddenbery Memorial Library
Sara Hightower Regional Library
Satilla Regional Library
Screven-Jenkins Regional Library
Sequoyah Regional Library
South Georgia Regional Library
Southwest Georgia Regional Library
Statesboro Regional Library
Thomas County Public Library
Three Rivers Regional Library
Troup-Harris-Coweta Regional Library
Warren County Public Library
West Georgia Regional Library

Worth County Library System

Technical Colleges

Albany Technical Institute
Athens Technical College
Atlanta Technical College
Augusta Technical Institute
Central Georgia Technical College
Chattahoochee Technical College
Coastal Pines Technical College
Columbus Technical Institute
Georgia Northwestern Technical College
Georgia Piedmont Technical College
Gwinnett Technical College
Lanier Technical College
North Georgia Technical Institute
Oconee Fall Line Technical College
Ogeechee Technical College
Savannah Technical College
South Georgia Technical College
Southeastern Technical College
Southern Crescent Technical College
Southern Regional Technical College
West Georgia Technical College
Wiregrass Georgia Technical College

Regional Educational Service Agencies

Chattahoochee Flint RESA
Coastal Plains RESA
Central Savannah River Area RESA
First District RESA
Griffin RESA
Heart of Georgia RESA
Metro RESA
Middle Georgia RESA
North Georgia RESA
Northeast Georgia RESA
Northwest Georgia RESA
Oconee RESA
Okefenokee RESA
Pioneer RESA
Southwest Georgia RESA
West Georgia RESA

Charter Schools

Academy for Classical Education, Inc.
Atlanta Smart Academy
Amana Academy
Atlanta Classical Academy
Atlanta Heights Charter School
Atlanta Neighborhood Charter School, Inc.
Atlanta Unbound Academy
Baconton Community Charter School
Brighten Academy
Brookhaven Innovation Academy
Centennial Academy
Charles Drew Charter School
Charter Conservatory for Liberal Arts and Technology
Chattahoochee Hills Charter School, Inc.
Cherokee Charter Academy
Cirrus Academy
Coastal Plains Education Center
Coweta Charter Academy
DeKalb Academy of Technology and Environment
Dekalb Brilliance Academy
DeKalb Path Academy
DeKalb Preparatory Academy
Delta Steam Academy
Destinations Career Academy of Georgia
Dubois Integrity Academy
Ethos Classical Charter School
Foothills Education Charter High School
Fulton Academy of Science and Technology
Fulton Leadership Academy
Furlow Charter School
Genesis Innovation Academy for Boys
Genesis Innovation Academy for Girls
Georgia Connections Academy
Georgia Cyber Academy
Georgia Fugees Academy Charter School, Inc.
Georgia High School for Accelerated Learning
Georgia Magnet Charter School
Georgia School for Innovation and the Classics
International Academy of Smyrna Charter School
International Charter Academy of Georgia
International Charter School of Atlanta
International Community School
Ivy Preparatory Academy for Girls

Kipp Metro Atlanta Collaborative
Leadership Preparatory Academy Charter School
Liberty Technical Charter School
Main Street Academy
Mountain Education Center Inc.
Museum School of Avondale
New Life Academy of Excellence Inc.
Northwest Classical Academy
Odyssey Charter School
Pataula Charter Academy
Purpose Built Schools of Atlanta
Resurgence Hall
Rise Prep Charter School
Savannah Classical Academy
Sail Charter School
Scintilla Charter Academy
Seven Pillars Career Academy
SLAM Academy of Atlanta
Southwest Georgia STEM Charter
Spring Creek Charter Academy
Tapestry Public Charter School
The Globe Academy
The Kindezi School
Utopian Academy for the Arts
Utopian Academy for the Arts Elem School
Utopian Academy for the Arts High School
Wesley International Academy
Westside Atlanta Charter School
Yi Hwang Academy of Language Excellence

State Agencies

Board of Regents
Department of Administrative Service
Department of Agriculture
Department of Banking and Finance
Department of Behavioral Health and Development Disability
Department of Community Health
Department of Corrections
Department of Human Services
Department of Natural Resources
Department of Public Health
Department of Public Safety
Georgia Building Authority
Georgia Bureau of Investigation
Georgia Department of Community Affairs
Georgia Department of Community Supervision
Georgia Department of Defense
Georgia Department of Early Care and Learning
Georgia Department of Economic Development
Georgia Department of Education
Georgia Department of Juvenile Justice
Georgia Department of Labor
Georgia Department of Law
Georgia Department of Revenue
Georgia Department of Transportation
Georgia Financing and Investment Commission
Georgia General Assembly
Georgia Public Defender Standards Council
Georgia Public Telecommunications Commission
Georgia Student Finance Commission
Georgia Technology Authority
Georgia Vocational Rehabilitation Agency
Governor’s Office of Planning and Budget
Jekyll Island State Park Authority
Office of Commissioner of Insurance and Safety Fire
Prosecuting Attorneys’ Council of Georgia
Secretary of State
State Board of Workers Compensation
State Road Toll and Authority
Technical College System of Georgia

Other

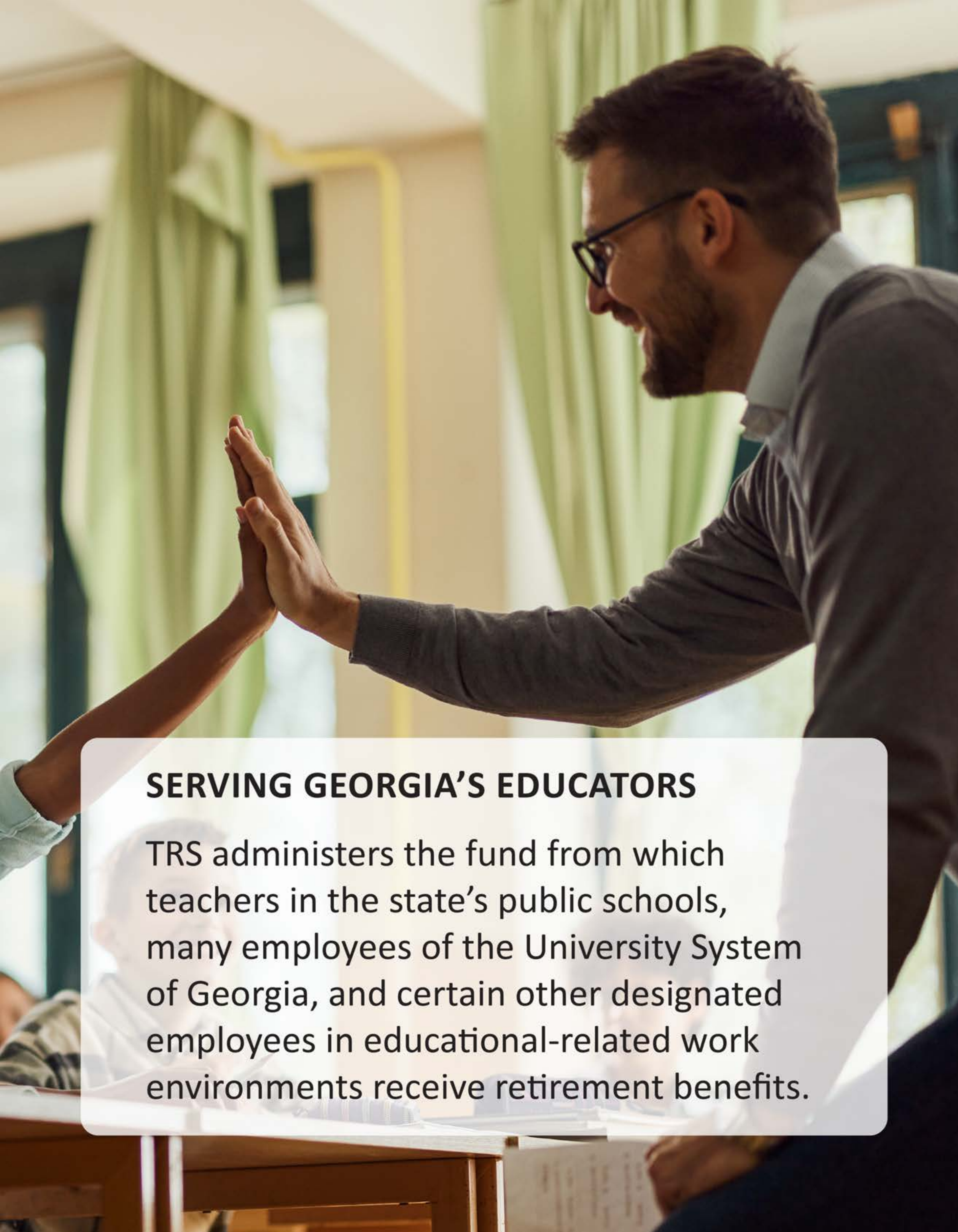
Cherokee County Board of Health
Clayton Center Community Service Board
DeKalb County DFACS
Department of Family and Children Services Region IX
DFACS Region X
DFACS Region XI
DFACS Region XII
District IV Public Health
East Central Health District
Effingham County Tax Commissioner Office
Georgia Department Public Health South Health District
Glynn County Health Dept
Hart Count Board of Health
Northwest Georgia Public Health
Richmond County DFACS
Tift County Board of Health
Ware County Health Department
Whitfield County DFACS

OUR VISION IS TO BE...

the premier retirement system providing exceptional and comprehensive service.

OUR CORE VALUES ARE...

to act with integrity and honesty, serve our internal and external customers with excellence, and demonstrate commitment to continuous improvement.



SERVING GEORGIA'S EDUCATORS

TRS administers the fund from which teachers in the state's public schools, many employees of the University System of Georgia, and certain other designated employees in educational-related work environments receive retirement benefits.

Teachers
Retirement
System of
Georgia

A COMPONENT UNIT
OF THE STATE OF GEORGIA

Two Northside 75, Suite 100
Atlanta, GA 30318
404-352-6500
800-352-0650
TRSGA.com