Improve Retirement Benefits for Public School Bus Drivers, Cafeteria Workers, Custodians, and Maintenance Personnel

THE ISSUE

School bus drivers, cafeteria workers, custodians, and maintenance personnel deserve to retire with dignity, reflecting their importance to the education our 1.8 million public school children. Current monthly benefits for PSERS retirees average $290 a month. Some of these valuable contributors to a child’s education work in school systems that do not participate in the Social Security System.

52,000 current and former staff professionals are covered by the Public School Employees Retirement System (PSERS), established in 1969 (O.C.G.A. Title 47, Chapter 4). Those in supervisory roles within those functions participate in the Teachers Retirement System (TRS).

Monthly benefits are calculated by years of creditable service multiplied by a specific dollar amount, which is determined by the Georgia General Assembly. Effective July 1, 2023, the current dollar amount is $16.50, a 50 cent increase over 2022. Currently, state law caps that multiplier at $16.50.

In 2021, the Senate Study Committee on Retirement Security for Georgians, in its final report, recommended: “enhancing salary and benefit packages offered state employees in order to improve recruitment and retention.”

GAE RECOMMENDATIONS

- Eliminate the cap so that the legislature can increase monthly pension benefits. SB 105, sponsored Sen. Larry Walker and co-sponsored by former Senate Retirement Committee Chair Randy Robertson, would do that.

- Increase funding in the 2024-2025 state budget to increase the multiplier to $20.

- Consider an actuarial study of the cost to allow PSERS members to choose participation in Teachers Retirement System (TRS), as was the recommendation of the 2000 Senate Study Committee on School Transportation, Nutrition, and Support Personnel chaired by former State Sen. Jack Hill, and an actuary study to review implementation of annual cost-of-living adjustments.

- SB 335 would allow ESPs covered by the Public School Employees Retirement (PSERS) the option of joining the Teachers Retirement System albeit at a increase to employee contribution, from a flat $10 to 6% of the eligible employee’s salary.