City of Auburn FY2027 Retirement

Plain-Language Summary

Source	City of Auburn FY2027 Mayor & Council Budget Presentation Binder
Source pages	Binder pages 63-77 / Retirement
Actuarial source named	Segal Consulting actuarial benefit study, April 10, 2026
Binder inspected	August 31, 2026
Status	Proposed retirement-plan enhancement / working budget material

This independent companion summarizes the original City record for readability. It is not an official City of Auburn document and does not replace the photographed source pages.

Proposed retirement change

The binder proposes increasing Auburn's GMEBS retirement benefit multiplier from **1.60%** to **2.50%**. Because the multiplier is used in the pension formula, the binder describes this as a **56.25% increase in the retirement benefit formula**.

Plan item	Current	Proposed / shown
Benefit multiplier	1.60%	2.50%
Employees covered	46	46
Covered payroll	-	$2,852,412
Participant contributions	None required	No change stated
Normal retirement	Age 65 + 5 years service	No change stated
Early retirement	Age 55 + 10 years service	No change stated
Vesting	5 years	No change stated
Elected officials coverage	Not included	No change stated

What the formula means

The pension formula shown in the binder is essentially **final average salary x benefit multiplier x years of service**. Raising the multiplier from 1.60% to 2.50% increases the pension generated by the same salary and years of service.

The binder gives a simple $50,000-salary, 20-year example: the annual benefit rises from $16,000 to $25,000, or from about $1,333 to $2,083 per month. That example produces about $9,000 more per year, or $750 more per month before taxes.

Cost to the City

Cost measure	Current plan	With enhancement	Change
Recommended annual contribution	$172,669	$329,264	+$156,595
Contribution as % of covered payroll	5.91%	11.27%	+5.36 percentage points
Funded ratio - actuarial value	95.87%	78.47%	-17.40 points
Funded ratio - market value	108.42%	88.74%	-19.68 points

The binder therefore presents the enhancement as requiring an additional **$156,595 in annual City contributions**. It also shows the funded ratio falling because the plan would be promising larger future benefits against the same existing asset base.

How the binder describes funding

The retirement pages say Auburn's plan is currently funded at 108.42% on a market-value basis and describe that as a financial cushion. After the proposed enhancement, the market-value funded ratio is shown at 88.74%. The actuarial-value funded ratio is shown falling from 95.87% to 78.47%.

The binder says the increased pension cost would be amortized over 20 years under GMEBS funding policy and that the higher annual contribution is intended to rebuild the funded position over time.

Peer-city comparison

The binder compares Auburn with other Georgia municipalities and argues that a 2.50% benefit formula would move Auburn from a lower-benefit position to the higher end of the selected peer group. The comparison lists Fayetteville, Clarkston, and Byron at 2.50%, while a larger group of selected cities is shown at 2.00% or below.

The peer-comparison pages cite the **GMEBS Summary of Plan Features, January 2023** as their source.

Employee examples

Example	Service / FAS	Current monthly	Proposed monthly	Gross increase
Entry-level	20 yrs / $45,067	$1,202	$1,878	+$676/mo
Long-term	32 yrs / $62,333	$2,660	$4,156	+$1,496/mo
Mid-career	13 yrs / $83,000	$1,439	$2,248	+$809/mo

The binder also provides estimated after-tax examples using an assumed 20% combined federal and Georgia state tax rate. Those figures are illustrations only; the pages themselves warn that actual taxes vary by individual.

What this document establishes

- Auburn was considering a retirement multiplier increase from 1.60% to 2.50% for 46 covered employees.
- The binder's actuarial summary estimates the City's recommended annual contribution would increase by $156,595.
- The proposed formula materially increases the pension shown in each of the binder's employee examples.
- The enhancement would reduce the plan's reported funded ratios at the time of the analysis.

What it does not establish

- That the proposed enhancement was finally adopted or implemented.
- The final long-term cost under every future investment, payroll, turnover, and actuarial assumption.
- That the selected 2023 peer comparison still reflects every city's retirement plan in 2026.
- That the illustrative employee examples represent any specific Auburn employee.

Source record: City of Auburn FY2027 Mayor & Council Budget Presentation Binder, retirement section, photographed during public inspection at Auburn City Hall on August 31, 2026. Independent summary prepared from the photographed source material. Refer to the original source record for the City's complete presentation.