



# **The Burden of the Teachers Retirement System in Georgia**

**Dr. Sanjay Gupta**

Valdosta State University, Georgia

## **Abstract**

The Teachers Retirement System (TRS) of Georgia was established to provide a reliable retirement income to Georgia educators. The system's unfunded liabilities is \$23.7 billion and growing. This research analyzes how changing the formula used to calculate defined benefits would change the unfunded liabilities. We simulate the impact of changes in the assumed rate of return on investments, member contribution, the multiplier, the number of years of income, and cost of living adjustment. We simulate these changes for a hypothetical individual, project it for the entire system, and use a Monte Carlo simulation to account for uncertainty.

**Keywords:** Retirement Plan, Pensions, Unfunded Liabilities, TRS