

Peace Officers' Association Of Georgia  
Annual Conference  
August 24, 2015

**POAB Board Of Commissioners:**

1. Sheriff Roger Garrison (Cherokee County), Chairman
2. Commissioner Homer Bryson, (DOC), Vice-Chairman
3. Mrs. Kaye Carter (Representing Gov. Nathan Deal)
4. Mrs. Sherry Colwell (Representing Insurance Commissioner Huddings)
5. Chief Keith Glass (City of Monroe Police Department)

Greetings:

The Peace Officers' Annuity and Benefit Fund was created by the Georgia General Assembly in 1950. During the past 65 years, POAB has served 39,014 Georgia Law Enforcement Officers and their families and currently paying monthly retirement benefits to 5,241 officers. Our August 2015 retirees will receive \$2,473,554.22 in benefits. We will talk about all the numbers behind the Fund shortly, but for me, the real and most important purpose for the Fund is the payment of benefits to the deserving officers and families that have served the people of Georgia over the years.

Having the opportunity to serve as the Secretary/Treasury of the Fund since 1996 has been a highlight in my work career. During this time, we have received many hand written notes (especially from widows) that say how important these benefits are to them and how it enables them to buy groceries and pay the power bill. Our POAB Staff in Griffin see our service to you as our "mission" and not just a job. On a daily basis we get to see how this Fund makes a positive impact on the lives of so many retired officers and their families.

The number of members and retirees in the Fund continues to grow at an ever increasing rate. This past fiscal year, approximately 365 officers retired and 1,050 new officers joined the Fund.

Trying to explain to a 25 year old officer that retirement age will come sooner than they think is a chore. I have come to understand that old age is about 20 years older than you are - regardless of your age. My mother (at age 87) was in an assisted living facility. When I visited in the afternoon or early evening, she would say "Well, guess I will go down to the recreation center and see what the 'OLD WOMEN' are talking about." At 87 year of age how old is old? 20 years older than you are. To a 25 year old, you are old at age 45.

As a young officer, you cannot begin to prepare for retirement too soon. Last week I presented the POAB story to a class at the Tift College Campus of the DOC. There were 220 officers getting ready to start a career in law enforcement. I am sure some in that class will not join the Fund until some future point in their career when they realize they might want to retire someday. Unfortunately, for some it will be too late.

The only thing I have not had a retiring officer tell me is "Oh just keep my check, I don't need it!" In today's world PENSION PLANS like the POAB are disappearing every year. In the corporate world they have been replaced by 401K type plans. This makes the POAB more important than ever. The #1 fear of most people retiring is out-living their retirement money. Our Board of Commissioners is charged with the responsibility to make sure your benefits from the POAB will last your lifetime and the lifetime of officers that choose to retire in the future. I assure you that your Board takes this duty very seriously and understands this awesome responsibility.

I hope that by now, you have heard about **House Bill 591**. State Representative Bill Hitchens (also one of our retirees), has stepped forward to sponsor a bill that will help you and the thousands of officers that will follow you in the noble profession of Georgia Law Enforcement. Col. Hitchens, as we know him from his career with the Georgia State Patrol, took a bold step when asked by your POAB Board to sponsor HB 591.

What will HB 591 mean to the POAB Fund and you as members or retired members?

Those that have already retired know that they have not received a cost of living adjustment since January 2008. The government may say that inflation is almost nothing, but they have not been to my grocery store. A gallon of milk is now over \$4.00 and a pound of bacon is now in a 12oz package.

Last week I was told there are some in the law enforcement community saying (falsely!) that POAB is broke and in a lot of trouble. **Let me assure you that the Fund is alive and well.** Your Board is being Pro Active and not reactive some 15 to 20 years down the road.

The current value of the Fund \$698,888,740. According to the audit by the State of Georgia Auditors the FUTURE liability of the Fund as of June 30, 2014 is \$674,724,912 - that equals a *surplus* of \$24,163,828. If you look at these numbers *alone* you would ask why do we need HB591?

Remember the COLA back in 2008 - we want to give the retired members *another* COLA in the future. Also, in 2008, the current benefit was set at \$24.41 per month multiplied times the number of years you are a member of the Fund for future retirement benefits. Also, we understand that Certified Jailers in the county jails want and deserve membership. Without HB591 it will not be financially possible.

Let's look at this in a way that I can understand:

Let's say I have a nice home and mortgage of \$200,000. In my current job and salary I can pay the house payment and will be okay for the years to come. But, then comes along a child or two or three - and the home is now a bit too small for the family as it has grown over the years. My wife and I decide we want a home that will take care of a bigger family - say one that costs \$275,000. My banker is okay with my \$200,000 loan because he knows I have been paying the bill every month - but now - to get a new and bigger mortgage to support my growing family, I need more income.

That is where we find the POAB. Our family of active officers and retired officers has continue to grow over the years and is now growing faster than ever. To build a larger and better house to take care of my growing family I need more INCOME.

In 2005, to support our future benefits payment (in my example: pay the future mortgage) we needed an income of \$12,495,485. Our court income plus your membership dues equaled \$17,743,589. We has enough income to support a bigger house and bigger payments, thus January 2008 - an increase in pension payment and COLA for retired members.

In 2011, to support our growing family, we needed \$19,760,211 as income. Court income and membership dues has reduced to \$16,185,126 - a shortage of \$3,575,085 needed to give benefits improvements.

In 2014, to support the growing family we need \$22,340,743 as income. Court fees and dues now equal \$15,342,296 a shortfall of \$6,998,447 needed IF we give a COLA and increase benefits.

We start looking for ways to improve our income and the idea arose of an “add-on” to the auto insurance premium - much like the Firefighters Fund gets from Property and Casualty insurance. HB 591 will allow for an add-on to the premium of .25% . You, as the consumer, with an annual insurance premium on your car or truck of \$600 per year will pay and additional \$1.50 per year. BUT, when you add all the \$1.50 in Georgia it totals an estimated 16 million dollars! The necessary increase in “SALARY” to support my growing family and add a few others.

This income will not all come at one time. When HB 591 is passed in 2016 session of the General Assembly, the bill will not become effective until July 2016. There will be a time delay in passage of the bill and the new income making its way to the Fund. So the good news is with a SALARY increase the Board can consider what level of mortgage we can afford and what the future retirement benefits our new income (SALARY) will support. Plus, the deserving Jailors **may** finally make it into the family.

HB591 *does* two things:

1. Creates an add-on to Auto Insurance of .25%
2. Increases POAB Dues to \$30 per month.

It *will not* automatically make Jailors eligible. Jailors may be able to join later but that will need additional legislation in 2017/2018 legislative session, but with the additional revenue - POAB Board can support a bill later where currently it is not financially possible. Also, when you get a COLA and benefit increase will be determined by the Board after the revenue starts to make its way to the Fund.

Again and Again - I want to make sure you understand your Fund is sound, but needs more money to provide for its growing family for the next 65 years as in the past 65 years.

I will be here during the Conference, so if you have questions lets TALK.

Thanks,

*Bob Carter*

Secretary/Treasurer

POAB Fund