

# **Bond Case Briefs**

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## **PENSIONS - GEORGIA**

### **Borders v. City of Atlanta**

**Supreme Court of Georgia - November 2, 2015 - S.E.2d - 2015 WL 6630457**

Members of defined benefit pension plans brought class action against city for breach of contract and unconstitutional impairment of contract, requesting declaratory and injunctive relief, after city enacted ordinance increasing members' prospective annual contributions to plans.

The trial court granted summary judgment to city. Members appealed.

The Supreme Court of Georgia held that:

- City's provision of retirement benefits must be read in conjunction with local law, and
- Members did not acquire vested contractual rights to plans unaltered by increase to contributions.

A municipal corporation's provision of retirement or pension benefits to its employees must be read in conjunction with the terms of local law and ordinances, that is, that such provision of benefits be supplemented by local law such as that contained in the city code and the city charter.

Members of defined benefit pension plans did not acquire vested contractual rights to plans unaltered by increase in annual contributions, and therefore city ordinance did not breach members' employment contracts or violate impairment clause of state constitution. Even though there was no express statement in governing laws that plan members would not have vested rights, enrollment provisions of plans unambiguously stated that receipt of an member's executed enrollment or application card evidenced member's irrevocable consent to participate in the applicable retirement plan and that member would do so under plan's governing laws as then amended, or as might be amended in the future.