

The House Committee on Retirement offers the following substitute to HB 557:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 47 of the Official Code of Georgia Annotated, relating to retirement and
2 pensions, so as to provide that the board of directors of the Georgia Judicial Retirement
3 System may provide a survivors benefit for members, retired members, and former members;
4 to define a certain term; to establish a survivors benefits fund; to provide for the
5 administration of the fund; to provide for contributions to the fund; to provide for rules and
6 regulations; to authorize such retirement system to contract with the Employees' Retirement
7 System of Georgia; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

9 Title 47 of the Official Code of Georgia Annotated, relating to retirement and pensions, is
10 amended by inserting at the end of Article 2 of Chapter 23, relating to the administration and
11 management of the Georgia Judicial Retirement System, the following:
12

13 "47-23-29.

14 (a) Wherever the term 'survivors benefits' is used or referred to in this chapter, it shall be
15 construed to be group term life insurance.

16 (b) Pursuant to the provisions of this Code section and rules and regulations adopted for
17 such purpose, the board of trustees may provide for survivors benefits for members, former
18 members, and retired members of the retirement system; provided, however, that the
19 provisions of this Code section shall apply only to persons who are active members of this
20 retirement system on or after July 1, 2002.

21 (c) There shall be established an additional fund, to be known as the 'survivors benefit
22 fund,' which shall be administered in the following manner:

23 (1) There shall be accumulated in the survivors benefit fund the payments made to the
24 fund as provided in subsection (d) of this Code section, including interest earned on
25 deposits and investments of such payments;

1 (2) There shall also be accumulated in the survivors benefit fund the payments required
2 of retired members and vested former members covered for survivors benefits as
3 provided in subsections (g) and (h) of this Code section, together with interest earned on
4 such payments; and

5 (3) All assets of the survivors benefit fund and all income, interest, and dividends
6 derived from deposits and investments shall be used for the payments of benefits and
7 expenses necessary for the maintaining of survivors benefit coverage. Such benefits and
8 expenses shall in no manner become an obligation of the pension accumulation fund.

9 (d) Contributions for survivors benefits shall be provided for and administered in the
10 following manner:

11 (1) After notice from the board of trustees, each employer shall cause to be deducted
12 from the earnable compensation of each member during every payroll period the
13 additional amount established by the board of trustees, but such amount shall not exceed
14 one-half of 1 percent of the member's earnable compensation. Such deductions shall be
15 made under the same conditions as set forth in paragraph (2) of subsection (a) of Code
16 Section 47-3-41; and

17 (2) There is authorized an employer payment to the fund which shall be a percentage of
18 the earnable compensation of the members of the retirement system. The board of
19 trustees shall establish the rate of such payment, but in no case shall such rate, when
20 added to the members' contributions, exceed 1 percent. Funds for employer payment
21 shall be requested in the same manner as provided in Article 5 of this chapter.

22 (e) The board of trustees may adopt any rules or regulations which are not in conflict with
23 this Code section and which it deems necessary in establishing and maintaining the plan
24 of operation, including benefit tables and other provisions of coverage. Such rules and
25 regulations shall include the following:

26 (1) A member's payment for coverage shall vest in the member no rights other than for
27 the period for which the member has paid the required additional contributions into the
28 survivors benefit fund;

29 (2) A notice by the board of trustees to members that the additional contributions
30 provided for in this Code section will be credited in the future to the individual member's
31 annuity savings account shall suspend any and all survivors benefit coverage then in
32 effect, provided that such action shall be applicable to all members alike and without
33 prejudice to any survivors benefits pending in the case of a then-deceased member; and

34 (3) Subsequent to any notice released under paragraph (2) of this subsection, any
35 additional notice made in the same manner and within 12 months of the original notice
36 to the effect that coverage is again available shall reestablish survivors benefits to those
37 members formerly covered and to all new members who are otherwise eligible.

1 (f) The board of trustees may determine the date on which the plan for survivors benefit
 2 coverage shall be placed into operation. The board of trustees shall notify all employers
 3 who, in turn, shall notify the members that additional contributions will commence on the
 4 determined date.

5 (g) The survivors benefits program may provide for a reduction of benefits after the
 6 attainment of a certain age and for a different or no contribution after retirement based on
 7 such reduction in benefits. The board of trustees is authorized to promulgate rules and
 8 regulations to carry out this subsection.

9 (h) Any other provisions of this chapter or any rules or regulations to the contrary
 10 notwithstanding, any member who withdraws from service before attaining age 60 but
 11 whose right to a service retirement allowance has vested under Code Section 47-23-102
 12 may continue paying the amount under this Code section which the member was paying
 13 at the time of withdrawing from service, together with the amount of the employer
 14 contribution in effect at the time of such withdrawal, in which case the benefits under this
 15 Code section shall remain fixed at the same amount as they would have been had the
 16 member died on the day immediately preceding the member's withdrawal. Only those
 17 members with at least ten years of creditable service at the time of withdrawal from service
 18 shall be eligible under this subsection, subject to the provisions of subsection (g) of this
 19 Code section.

20 47-23-30.

21 The board of trustees may provide group term life insurance protection for the members
 22 of the retirement system as the survivors benefits program provided for in Code Section
 23 47-23-29 by contracting for such service with the board of trustees of the Employees'
 24 Retirement System of Georgia for the inclusion of members of this retirement system in
 25 the program of group life insurance protection conducted for the benefit of the members
 26 of such retirement system. Such contract must provide benefits to those persons entitled
 27 to benefits under Code Section 47-23-29. All or any part of funds and other assets
 28 previously accumulated for the purposes of Code Section 47-23-29 may be used by the
 29 board of trustees in the execution of this contract. Contributions for such coverage shall be
 30 provided for and collected as set forth in subsection (d) of Code Section 47-23-29."

31 **SECTION 2.**

32 All laws and parts of laws in conflict with this Act are repealed.