

Senate Bill 258

By: Senator Fort of the 39<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 3 of Chapter 3 of Title 47 of the Official Code of Georgia Annotated,  
2 relating to employee and employer contributions under the Teachers Retirement System of  
3 Georgia, the creation of funds for contributions, benefits, and administrative expenses, so as  
4 to provide that the employer shall pay the employee contributions on behalf of any person  
5 eligible to receive a service retirement under such retirement system and who agrees to a  
6 certain period of employment; to provide that such amount shall be treated as employer  
7 contributions; to provide for the withholding of federal income taxes; to provide for a  
8 penalty; to provide for related matters; to provide conditions for an effective date and  
9 automatic repeal; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Article 3 of Chapter 3 of Title 47 of the Official Code of Georgia Annotated, relating to  
13 employee and employer contributions under the Teachers Retirement System of Georgia, the  
14 creation of funds for contributions, benefits, and administrative expenses, is amended by  
15 inserting immediately following Code Section 47-3-41.1 a new Code section to read as  
16 follows:

17 "47-3-41.2.

18 (a) Beginning on July 1, 2003, each employer shall pay to the board of trustees on behalf  
19 and to the credit of each member in compliance with subsection (b) of this Code section,  
20 on each and every payroll period, the employee membership contributions specified by said  
21 subsection (a) of Code Section 47-3-41 for membership service.

22 (b) Any member of this retirement system who is eligible to receive a service retirement  
23 benefit may receive the benefit provided for in subsection (a) of this Code section if he or  
24 she agrees to return to service or to remain in service as a classroom teacher for a period  
25 of not less than three nor more than five full contract years beginning after such member

1 became eligible to receive a service retirement benefit. Such person shall be an active  
2 member of this retirement system during such period of service.

3 (c) Employee contributions made by employers on behalf of members as provided in  
4 subsection (a) of this Code section shall be treated as employer contributions in  
5 determining federal tax treatment under the United States Internal Revenue Code;  
6 provided, however, employers shall continue to withhold federal income taxes on the basis  
7 of such contributions until the Internal Revenue Service or the federal courts rule that,  
8 pursuant to Section 414(h) of the United States Internal Revenue Code, these contributions  
9 shall not be included as gross income of the employee until such time as they are  
10 distributed or made available.

11 (d) Employee contributions made by employers on behalf of members as provided in  
12 subsection (a) of this Code section shall be included in the earnable compensation of  
13 members in the computation of retirement benefits, and, except for the purposes of  
14 subsection (f) of this Code section, such contributions shall continue to be employee  
15 contributions for all purposes under this chapter.

16 (f) All members shall retain, have, and be subject to all other rights, privileges, obligations,  
17 and duties provided for by other provisions of this chapter and such other provisions shall  
18 remain of full force and effect with respect to any matter not specifically provided for in  
19 this Code section; provided, however, that any member who for any reason fails to meet  
20 his or her commitment made pursuant to subsection (b) of this Code section shall not  
21 receive any credit whatsoever in this retirement system for the service rendered under this  
22 Code section and shall retain no rights to any contributions made on his or her behalf."

## 23 SECTION 2.

24 This Act shall become effective on July 1, 2002, only if it is determined to have been  
25 concurrently funded as provided in Chapter 20 of Title 47 of the Official Code of Georgia  
26 Annotated, the "Public Retirement Systems Standards Law"; otherwise, this Act shall not  
27 become effective and shall be automatically repealed in its entirety on July 1, 2002, as  
28 required by subsection (a) of Code Section 47-20-50.

## 29 SECTION 3.

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