

The House Committee on Retirement offers the following substitute to HB 267:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 47-3-41 of the Official Code of Georgia Annotated, relating to the  
2 annuity savings fund of the Teachers Retirement System of Georgia, so as to provide that the  
3 board of trustees of such retirement system shall be authorized, under certain conditions, to  
4 establish an employee's contribution rate at not less than 3 percent nor more than 5 percent  
5 of the member's compensation; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

7 Code Section 47-3-41 of the Official Code of Georgia Annotated, relating to the annuity  
8 savings fund of the Teachers Retirement System of Georgia, is amended by striking in its  
9 entirety paragraph (1) of subsection (a) and inserting in lieu thereof the following:

11 "(1) After the commencement date, each employer shall cause to be deducted from the  
12 salary of each member for each and every payroll period a percentage of the member's  
13 earnable compensation as determined by the board of trustees which shall be not less than  
14 5 3 nor more than 6 5 percent; provided, however, that any reduction in such percentage  
15 shall be based upon the recommendation of the actuary of the board of trustees, the  
16 maintenance of the actuarial soundness of the fund in accordance with the standards  
17 provided in Code Section 47-20-10 or such higher standards as may be adopted by the  
18 board, and such other factors as the board deems relevant. ~~but no~~ No such deduction shall  
19 be made from the compensation of a member after the close of the school, fiscal, or  
20 contract year in which the member has attained age 65 and has completed 40 or more  
21 years of creditable service. In determining the amount earnable by a member in a payroll  
22 period, the employer may consider the annual rate of compensation payable to such  
23 member on the first day of the payroll period as continuing throughout such payroll  
24 period. The employer may omit the deduction from compensation for any period which  
25 is less than a full payroll period, if a teacher was not a member on the first day of the  
26 payroll period. In order to facilitate the making of deductions, the employer may modify

1 the deductions required of any member by an amount not to exceed one-tenth of 1 percent  
2 of the annual compensation, on the basis of which such deductions are to be made. Each  
3 employer shall immediately pay the amount deducted to the board of trustees, in such  
4 manner as the board of trustees shall prescribe, which amount shall be credited by the  
5 board of trustees to the individual accounts in the annuity savings fund of the member  
6 from whose compensation the deductions were made. Beginning July 1, 1987, the  
7 employee contributions required under this paragraph shall be paid as provided in Code  
8 Section 47-3-41.1"

9 **SECTION 2.**

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