

Senate Bill 226

By: Senator Tate of the 38th

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 47-3-66 of the Official Code of Georgia Annotated, relating to the
2 membership in the Teachers Retirement System of Georgia of teachers who were employed
3 by independent school systems, creditable service, employee and employer contributions,
4 and the effect of failure to pay required contributions, so as to provide that certain members
5 of such retirement system may obtain creditable service for certain prior service with an
6 independent school system; to amend Code Section 47-3-87.1 of the Official Code of
7 Georgia Annotated, relating to credit in the Teachers Retirement System of Georgia for
8 service rendered in independent school system prior to, but not later than, June 30, 1979, so
9 as to provide that such credit may be obtained at any time; to provide conditions for an
10 effective date and automatic repeal; to repeal conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 style="text-align:center">**SECTION 1.**

13 Code Section 47-3-66 of the Official Code of Georgia Annotated, relating to the membership
14 in the Teachers Retirement System of Georgia of teachers who were employed by
15 independent school systems, creditable service, employee and employer contributions, and
16 the effect of failure to pay required contributions, is amended by striking in its entirety
17 subsection (e) and inserting in lieu thereof the following:

18 "(e) Each teacher who becomes a member of the retirement system pursuant to subsection
19 (c) of this Code section shall pay to the board of trustees the amount of contributions which
20 would have been paid by the teacher to the retirement system had the teacher been a
21 member of the retirement system during the period of creditable service established
22 pursuant to subsection (c) of this Code section, plus interest, as provided in this subsection,
23 which would have accumulated on such contributions, less the amount paid on behalf of
24 each such teacher pursuant to subsection (d) of this Code section. Interest which would
25 have accumulated on such contributions shall be computed on the basis of regular accrued
26 interest until ~~January 1, 1982, and on the basis of 16 percent per annum from January 1,~~

1 ~~1982, until the payment required by this subsection is made. The board of trustees shall~~
 2 ~~determine the amount to be paid as interest. Such payment shall and must be made to the~~
 3 ~~board of trustees in the manner prescribed by the board of trustees by not later than~~
 4 ~~December 31, 1983, or by the date of retirement for any teacher who retires prior to~~
 5 ~~December 31, 1983, whichever is earlier."~~

6 SECTION 2.

7 Code Section 47-3-87.1 of the Official Code of Georgia Annotated, relating to credit in the
 8 Teachers Retirement System of Georgia for service rendered in independent school system
 9 prior to, but not later than, June 30, 1979, is amended by striking in its entirety subsection
 10 (c) and inserting in lieu thereof the following:

11 "(c) Any active member who was employed by an independent school system prior to, but
 12 not later than, June 30, 1979, and who was, while so employed, a member of a local
 13 retirement fund of such independent school system and had no vested right to benefits
 14 thereunder and who has withdrawn employee contributions from the local retirement fund
 15 and who had ~~at least~~ 10 years or more of creditable service with that local retirement fund shall
 16 receive creditable service under this chapter equivalent to the creditable service the
 17 member had under said local retirement fund upon the payment by the member to the board
 18 of trustees of the amount of contributions which would have been paid by the member to
 19 the Teachers Retirement System of Georgia if the member had been a member of the
 20 Teachers Retirement System of Georgia for the period of creditable service the member
 21 had under the local retirement fund, plus applicable accrued regular interest, as determined
 22 by the board of trustees, which would have accumulated on such contributions. ~~Such~~
 23 ~~payment must be paid to the board of trustees in a manner prescribed by the board by not~~
 24 ~~later than January 1, 1983, or by the date of retirement if the member retires prior to~~
 25 ~~January 1, 1983. Creditable service under this subsection shall not be granted until the~~
 26 ~~payment required by this subsection has been made to the board of trustees. Paragraphs~~
 27 (4) and (5) of subsection (b) of this Code section shall apply to creditable service obtained
 28 under this subsection."

29 SECTION 3.

30 This Act shall become effective on July 1, 2004, only if it is determined to have been
 31 concurrently funded as provided in Chapter 20 of Title 47 of the Official Code of Georgia
 32 Annotated, the "Public Retirement Systems Standards Law"; otherwise, this Act shall not
 33 become effective and shall be automatically repealed in its entirety on July 1, 2004, as
 34 required by subsection (a) of Code Section 47-20-50.

1 **SECTION 4.**

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

1 DEPARTMENT OF AUDITS AND ACCOUNTS

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3 Atlanta, Georgia 30334-8400

4 Russell W. Hinton

5 State Auditor

6 (404) 656-2174

7 January 21, 2011

8 The Honorable Horacena Tate

9 State Senator

10 Legislative Office Building, Room 325-B

11 Atlanta, Georgia 30334

12 SUBJECT: State Auditor's Certification

13 Senate Bill 226 (LC 21 7278)

14 Dear Senator Tate:

15 This bill would amend provisions relating to creditable service for certain members of the
16 Teachers Retirement System who were employed by an independent school system prior
17 to, but not later than, June 30, 1979. Specifically, this bill would affect such members
18 who were members of a local retirement fund, however, had no vested right to benefits in
19 the local fund and had withdrawn employee contributions from the fund. If this
20 legislation is enacted, such members would be eligible to obtain creditable service in the
21 Teachers Retirement System provided they had at least 10 years of creditable service with
22 the local retirement fund. Currently, such members are required to have 17 years of
23 creditable service with the local fund in order to obtain creditable service with the
24 Teachers Retirement System. Members affected by this provision would be required to
25 pay the applicable employee contributions, with interest. This bill would also revise the
26 method for computing the interest due on the purchase of creditable service for persons
27 who were employed by an independent school system on July 1, 1979 and transferred
28 from their respective local retirement fund to the Teachers Retirement System.
29 Additionally, this bill would eliminate the deadline for purchasing such creditable service.

30 This is to certify that this is a fiscal retirement bill as defined in the Public Retirement
31 Systems Standards Law.

32 Respectfully,

33 /s/ Russell W. Hinton

34 State Auditor