

House Bill 987 (AS PASSED HOUSE AND SENATE)

By: Representatives Ray of the 108th, Lucas of the 105th, Birdsong of the 104th, Jenkins of the 93rd, and Graves of the 106th

A BILL TO BE ENTITLED
AN ACT

1 To amend an Act entitled "An Act to provide a pension and retirement plan and fund for
2 certain employees and officers of the Macon Board of Water Commissioners," approved
3 December 30, 1953 (Ga. L. 1953, Nov. - Dec. Sess., p. 2831), as amended, particularly by
4 an Act approved March 24, 1994 (Ga. L. 1994, p. 3947), so as to define a certain term; to
5 raise the employee contribution; to increase the benefit calculation factor; to change the
6 vesting provision; to grant a cost of living adjustment to retirees and beneficiaries; to revise
7 the method of determining permanent and total disability; to provide that persons who retire
8 under the disability provisions of the plan may elect a life annuity or a joint and survivor
9 option; to provide conditions for effective dates and automatic repeal; to repeal conflicting
10 laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**

13 An Act entitled "An Act to provide a pension and retirement plan and fund for certain
14 employees and officers of the Macon Board of Water Commissioners," approved December
15 30, 1953 (Ga. L. 1953, Nov. - Dec. Sess., p. 2831), as amended, particularly by an Act
16 approved March 24, 1994 (Ga. L. 1994, p. 3947), is amended by adding at the end of Section
17 2 a new subsection (h) to read as follows:

18 "(h) 'Permanently and totally disabled' shall mean that the member has been determined
19 to be disabled within the meaning of the federal Social Security Act and regulations
20 thereunder and is actually drawing Social Security benefits on account of such disability."

21 **SECTION 2.**

22 Said Act is further amended by striking paragraph (1) of subsection (a) of Section 4 and
23 inserting in lieu thereof a new paragraph (1) to read as follows:

"(1) Six and 20/100 percent of the total compensation received from the authority during the calendar year, or fraction thereof, from December 30, 1953, until termination of employment."

SECTION 3.

Said Act is further amended by striking paragraph (1) of subsection (a) of Section 6 and inserting in lieu thereof a new paragraph (1) to read as follows:

"(1) Upon reaching 63 years of age, a member of the plan shall be entitled to a monthly retirement benefit in an amount equal to the product of the percentage set forth in the table below for the years of service times the years of service times the final average monthly earnings.

YEARS OF SERVICE	PERCENTAGE
1-30	2.000%
31	2.025%
32	2.050%
33	2.075%
34	2.100%
35	2.125%
36	2.150%
37	2.175%
38	2.200%
39	2.225%
40 or more	2.250%

In the event that the normal retirement monthly benefit of any member who has retired as of the effective date of this Act does not equal at least \$20.00 times the number of years of service up to a maximum of ten years, then the monthly benefit of such member shall be the product of \$20.00 times the number of years of service up to a maximum of \$200.00."

SECTION 4.

Said Act is further amended by striking paragraph (8) of subsection (a) of Section 6 and inserting in lieu thereof a new paragraph (8) to read as follows:

"(8) In the event, after five years of service, a member terminates his or her service, or his or her service is terminated for any reason other than death or a cause for which the member is not entitled to receive benefits elsewhere under this pension plan, his or her benefits as provided herein shall be vested, but payment thereof shall be deferred to 63

1 years of age; provided, however, that the employee shall leave his or her contributions
2 in the fund; provided, further, that such employee shall be entitled, at his or her option,
3 to receive actuarially reduced benefits prior to 63 years of age, when his or her service
4 would have totaled 25 years had he or she remained in the service of the authority. A
5 member shall be notified of his or her option to leave his or her contributions in the plan
6 by certified mail, return receipt requested, and shall have 12 months in which to make an
7 election to remain in the plan or withdraw his or her contributions. The contributions of
8 a member who fails to make an election within 12 months will be paid to the member as
9 provided in paragraph (7) of this subsection."

10 **SECTION 5.**

11 Said Act is further amended by adding at the end of subsection (a) of Section 6 a new
12 paragraph (16) to read as follows:

13 "(16) The monthly benefit of every member and beneficiary who is retired and receiving
14 benefits shall be increased every five years by 2 percent, retroactive to April 1, 1994. This
15 cost-of-living adjustment shall be effective as of October 1, 2004."

16 **SECTION 6.**

17 Said Act is further amended by striking paragraph (1) of subsection (b) of Section 6 and
18 inserting in lieu thereof a new paragraph (1) to read as follows:

19 "(1) Permanent and total disability shall be determined as provided in subsection (h) of
20 Section 2 of this Act. In the event it is determined by the federal Social Security
21 Administration that a member is no longer disabled and such member is not drawing
22 benefits under the Social Security Act, the authority may order that the member return
23 to active service with the authority and that the member's pension payments be
24 discontinued during the period of such active employment. In the event the member so
25 ordered by the authority to return to active employment with the authority fails or refuses
26 to do so within 30 days of written notice, the right of the member to disability payments
27 shall be conclusively and for all time terminated. In the event such member shall return
28 to active employment with the authority as ordered by the authority, he or she shall
29 resume payment of contributions then required by the pension plan, and shall likewise be
30 entitled to further service credit during the time he or she remains in the active service of
31 the authority. Such member shall not be entitled to other retirement benefits of the plan
32 save by relinquishment of any and all rights to any disability benefits."

SECTION 7.

Said Act is further amended by striking paragraph (1) of subsection (c) of Section 6 and inserting in lieu thereof a new paragraph (1) to read as follows:

"(1) *Election.* A member of the plan shall be entitled to elect, or to revoke a previous election and make a new election, at any time six months or more prior to his or her retirement in accordance with paragraph (1), (4), (5), or (6) of subsection (a) of this section, or prior to commencement of retirement payment in accordance with paragraph (8) of subsection (a) of this section, to have his or her retirement benefit payable under one of the options hereinafter set forth in lieu of the retirement benefits he or she is otherwise entitled to receive in accordance with such subsections. Election of any option shall be made by the member in writing and shall be subject to approval by the authority. The optional form of retirement benefit thus elected shall be paid in accordance with the terms of such option. A member of the plan who retires as a result of permanent and total disability as provided in paragraphs (2) and (3) of subsection (a) of this section shall be entitled to receive the member's retirement benefit as a life annuity or such member may elect the 'Joint and Survivor Option' under 'Option A' described in paragraph (2) of subsection (c) of this section."

SECTION 8.

Sections 2 and 3 of this Act shall become effective on January 1, 2005, and the remaining Sections of this Act shall become effective on July 1, 2004, only if it is determined to have been concurrently funded as provided in Chapter 20 of Title 47 of the Official Code of Georgia Annotated, the "Public Retirement Systems Standards Law"; otherwise, this Act shall not become effective and shall be automatically repealed in its entirety on July 1, 2004, as required by subsection (a) of Code Section 47-20-50.

SECTION 9.

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