

Senate Bill 177

By: Senators Tate of the 38th and Fort of the 39th

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 3 of Title 47 of the Official Code of Georgia Annotated, relating to the  
2 Teachers Retirement System of Georgia, so as to change the benefit formula for the Teachers  
3 Retirement System of Georgia from 2 percent to 2.5 percent; to provide a postretirement  
4 benefit adjustment; to provide conditions for an effective date and automatic repeal; to repeal  
5 conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Chapter 3 of Title 47 of the Official Code of Georgia Annotated, relating to the Teachers  
9 Retirement System of Georgia, is amended by striking in its entirety subsection (a) of Code  
10 Section 47-3-120, relating to allowance on a service retirement, minimum retirement  
11 allowance, reduced allowance, increase, and computation of average compensation, and  
12 inserting in lieu thereof the following:

13 "(a) Upon service retirement, a member shall receive an allowance which shall consist of:  
14 (1) An annuity which shall be the actuarial equivalent of the member's accumulated  
15 contributions at the time of retirement; and  
16 (2) An annual pension which, together with the annuity set forth in paragraph (1) of this  
17 subsection, shall provide a total allowance equal to ~~2~~ 2.5 percent of the member's average  
18 compensation over the two consecutive years of membership service producing the  
19 highest such average, multiplied by the number of the member's years of creditable  
20 service, not to exceed 40. The computation of average compensation for the purposes of  
21 this paragraph shall be subject to the requirements of subsection (d) of this Code section."

22 **SECTION 2.**

23 Said chapter is further amended by inserting immediately following Code Section 47-3-126.3  
24 a new Code section to read as follows:

1 "47-3-126.4.

2 (a) As used in this Code section, the term 'beneficiary' shall have the meaning specified  
3 in paragraph (7) of Code Section 47-3-1.

4 (b) Effective July 1, 2006, the monthly retirement benefit of each beneficiary who began  
5 receiving a benefit prior to July 1, 2006, shall be recalculated as if the benefit had  
6 originally been calculated on the formula provided in subsection (a) of Code Section  
7 47-3-120 or such derivative formula as is appropriate to the beneficiary. The board shall  
8 apply the same percentage of increase to the amount of increase as has been applied to the  
9 benefit from the time the benefit was first paid, but no such increase shall be paid for any  
10 period prior to July 1, 2006."

11 **SECTION 3.**

12 This Act shall become effective on July 1, 2006, only if it is determined to have been  
13 concurrently funded as provided in Chapter 20 of Title 47 of the Official Code of Georgia  
14 Annotated, the "Public Retirement Systems Standards Law"; otherwise, this Act shall not  
15 become effective and shall be automatically repealed in its entirety on July 1, 2006, as  
16 required by subsection (a) of Code Section 47-20-50.

17 **SECTION 4.**

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