

The House Committee on Retirement offers the following substitute to HB 400:

A BILL TO BE ENTITLED
AN ACT

To amend Article 7 of Chapter 3 of Title 47 of the Official Code of Georgia Annotated, relating to retirement allowances, disability benefits, and spouses' benefits in the Teachers Retirement System of Georgia, so as to provide for a postretirement benefit increase; to provide for applicability; to authorize certain county, municipal, or local boards of education to provide a benefit increase; to provide conditions for an effective date and automatic repeal; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article 7 of Chapter 3 of Title 47 of the Official Code of Georgia Annotated, relating to retirement allowances, disability benefits, and spouses' benefits in the Teachers Retirement System of Georgia, is amended by inserting immediately following Code Section 47-3-126.3 a new Code section to read as follows:

"47-3-126.4.

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

(b) Subject to the limitations of subsection (c) of this Code section, effective July 1, 2006, the monthly retirement benefit of each beneficiary shall be increased by a percentage which varies in accordance with the time of retirement as follows:

| <u>Time of Retirement</u> | <u>Percentage Increase</u> |
|---|----------------------------|
| Prior to July 1, 1974 | 10.0 |
| July 1, 1974, through June 30, 1982 | 6.0 |
| July 1, 1982, through June 30, 1987 | 2.0 |
| After June 30, 1987 | 0.0 |

(c) The full percentage increase provided for in subsection (b) of this Code section shall apply only to those beneficiaries who had 20 or more years of creditable service at the time

1 of retirement. For those beneficiaries who had at least ten but less than 20 years of
2 creditable service at the time of retirement, the monthly benefit increase provided for by
3 subsection (b) of this Code section shall be reduced by 5 percent for each year less than 20
4 years of creditable service. Beneficiaries who had less than ten years of creditable service
5 shall not receive an increase in their monthly retirement benefit under this Code section.

6 (d) Any county, municipal, or local board of education is authorized, but not required, to
7 provide a postretirement benefit increase as provided in this Code section to any teacher
8 who retired under a public retirement system or fund maintained by such county,
9 municipal, or local board of education, provided that:

10 (1) The actuary for the fund certifies that such increase would not result in any unfunded
11 accrued liability as to such retirement system; or

12 (2) The affected political subdivision appropriates sufficient funds to cover the actuarial
13 cost of granting such benefit."

14 **SECTION 2.**

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

20 **SECTION 3.**

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