

Senate Bill 240

By: Senators Heath of the 31st and Hill of the 32nd

A BILL TO BE ENTITLED
AN ACT

1 To make certain findings of fact and a statement of intent; to amend Article 1 of Chapter 1
2 of Title 47 of the Official Code of Georgia Annotated, relating to general provisions relating
3 to retirement and pensions, so as to provide that any member of certain retirement systems
4 shall be entitled to direct that all employer and employee contributions made by or on behalf
5 of him or her, together with earnings thereon, be transferred to an account of his or her
6 choosing so that he or she may manage the investment of such funds without the expertise
7 or intervention of such retirement systems and that his or her membership and participation
8 in any public retirement system be terminated; to provide that such persons shall thereafter
9 be ineligible to participate in a public retirement system; to provide for an application; to
10 provide for procedures; to provide conditions for an effective date and automatic repeal; to
11 repeal conflicting laws; and for other purposes.

12 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

13 **SECTION 1.**

14 Whereas, the state maintains two large retirement systems, the Employees' Retirement
15 System of Georgia and the Teachers Retirement System of Georgia, at great public expense
16 to provide a generous retirement allowance for state employees and teachers who have
17 dedicated their careers to public service; and

18 Whereas, the professional managers investing the funds of such retirement systems have
19 consistently provided outstanding returns on the investments, and the combined funds of
20 such retirement systems now constitute the fourteenth largest investment fund in the country;
21 and

22 Whereas, the General Assembly, and in particular the Senate and House Retirement
23 Committees, have been steadfast in protecting the fiscal soundness of all public retirement
24 systems and have without fail acted in the best interests of the retirement systems and their
25 members; and

1 Whereas, thanks to such professional management and the dedication of Georgia's
 2 legislators, Georgia's retirement systems are among the strongest in the nation, and none of
 3 the questionable practices disclosed in other states has been replicated in Georgia; and
 4 Whereas, while most of Georgia's state employees and teachers are justifiably confident in
 5 their retirement systems, certain elements have questioned the integrity of the General
 6 Assembly and the qualifications of the professional managers in directing the investments
 7 of retirement system funds to obtain the highest yield at a reasonable risk; and
 8 Whereas, the General Assembly desires to give such persons the opportunity to invest their
 9 own funds and guide their own financial future without the interference of the legislature or
 10 the professional fund managers.

11 **SECTION 2.**

12 Article 1 of Chapter 1 of Title 47 of the Official Code of Georgia Annotated, relating to
 13 general provisions relating to retirement and pensions, is amended by adding a new Code
 14 section to read as follows:

15 "47-1-16.

16 (a) Any other provision of law to the contrary notwithstanding, any member of the
 17 Employees' Retirement System of Georgia created by Chapter 2 of this title or the
 18 Teachers Retirement System of Georgia created by Chapter 3 of this title, or of any
 19 retirement system or pension fund whose funds are managed by either such retirement
 20 system, who is vested for a benefit in such system or fund may elect to terminate his or her
 21 membership and participation in such system or fund and have all employer and employee
 22 contributions with regular interest thereon be deposited in such account as the member
 23 designates.

24 (b) Any person desiring to terminate his or her participation in a retirement system or
 25 pension fund as provided in subsection (a) of this Code section shall notify the board of
 26 trustees of the appropriate system or fund in writing, providing such information as the
 27 respective board of trustees deems appropriate. Thereafter, such person shall forever be
 28 ineligible to participate in any public retirement system.

29 (c) The board of trustees of each retirement system and pension fund identified in
 30 subsection (a) of this Code section shall, within 30 days after a member has completed all
 31 requirements of this Code section and rules and regulations promulgated pursuant to this
 32 Code section, transfer all employer and employee contributions made by or on behalf of
 33 the requesting member, together with regular interest thereon, in such manner as the
 34 member directs.

35 (d) The board of trustees of each retirement system or pension fund subject to this Code
 36 section is authorized and directed to make the option provided in this Code section known

1 to any member who expresses an unhappiness with the manner in which retirement funds
2 are managed."

3 **SECTION 3.**

4 This Act shall become effective on July 1, 2008, only if it is determined to have been
5 concurrently funded as provided in Chapter 20 of Title 47 of the Official Code of Georgia
6 Annotated, the "Public Retirement Systems Standards Law"; otherwise, this Act shall not
7 become effective and shall be automatically repealed in its entirety on July 1, 2008, as
8 required by subsection (a) of Code Section 47-20-50.

9 **SECTION 4.**

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