

Senate Bill 327

By: Senators Heath of the 31st, Schaefer of the 50th and Murphy of the 27th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 2 of Title 47 of the Official Code of Georgia Annotated, relating to the
2 Employees' Retirement System of Georgia, so as to provide that no person shall become or
3 again become a member of such retirement system on or after July 1, 2008; to provide a short
4 title; to provide that such employees shall have accounts in the state deferred compensation
5 plan; to provide for an employer contribution; to provide that such employees shall not be
6 entitled to participate in any other public retirement system; to provide for rules and
7 regulations; to provide conditions for an effective date and automatic repeal; to repeal
8 conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

11 Chapter 2 of Title 47 of the Official Code of Georgia Annotated, relating to the Employees'
12 Retirement System of Georgia, is amended by adding at the end of Article 4 a new Code
13 section as follows:

14 "47-2-74.

15 (a) This Code section shall be known and may be cited as the 'Georgia State Employee
16 Savings Plan.'

17 (b) As used in this Code section, the term 'deferred compensation plan' means the deferred
18 compensation plan offered by the state for public employees pursuant to Article 2 of
19 Chapter 18 of Title 45, as now or hereafter amended, utilizing either Section 401(k) or
20 Section 457(j) of the federal Internal Revenue Code or a substantially similar savings plan.

21 (c) Any other provision of law to the contrary notwithstanding, no person who again
22 becomes an employee of an employer on or after July 1, 2008, and who does not have a
23 vested right to reinstatement in this retirement system and no person who first becomes
24 such an employee on or after July 1, 2008, shall be a member of this retirement system.

25 (d) The board of trustees shall ensure that each employee subject to the provisions of this
26 Code section has an account in the deferred compensation plan. Each employee shall be

1 given the option of participating in the Section 401(k) plan or the Section 457(j) plan, but
2 if no option is made the employee shall be deemed to have selected the Section 401(k)
3 plan.

4 (e) Each employer shall deposit into the employee's account an employer contribution in
5 an amount not to exceed 9 percent of the employee's salary. Such amount shall be
6 deposited on the last day of each month and shall be calculated in the employee's total
7 compensation for the month in which the contribution is made. Each participant shall have
8 a vested right to employer contributions immediately upon deposit.

9 (f) Employees subject to the provisions of this Code section shall be entitled to coverage
10 by federal Social Security provisions in the same manner as members of the Employees'
11 Social Security Coverage Group established by Code Section 47-2-71.

12 (g) The board of trustees shall have the responsibility of administering the provisions of
13 this Code section and shall promulgate such rules and regulations as are necessary to carry
14 out the provisions of this Code section."

15 SECTION 2.

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

21 SECTION 3.

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