

Senate Bill 328

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 a short title; to provide that
3 persons who first or again become a member of such retirement system on or after July 1,
4 2008, shall have accounts in the state deferred compensation plan; to provide for an employer
5 contribution; to provide for rules and regulations; to reduce the percent of a member's
6 compensation used to calculate a retirement benefit from 2 percent to 1 percent; to provide
7 for applicability; 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 **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 plan.

21 (c) The provisions of this Code section shall apply only to persons who first become
22 members on or after July 1, 2008, or who again become members on or after such date and
23 who do not have a vested right to be reinstated in this retirement system.

24 (d) The board of trustees shall ensure that each member subject to the provisions of this
25 Code section has an account in the deferred compensation plan. Each employee shall be
26 given the option of participating in the Section 401(k) plan or the Section 457(j) plan or

1 similar plan, but if no option is made the employee shall be deemed to have selected the
2 Section 401(k) plan.

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

8 (f) The board of trustees shall have the responsibility of administering the provisions of
9 this Code section and shall promulgate such rules and regulations as are necessary to carry
10 out the provisions of this Code section."

11 SECTION 2.

12 Said chapter is further amended by revising subsection (b) of Code Section 47-2-334, relating
13 to service retirement allowance, calculation, employee membership contributions, employer
14 contributions, optional membership, conditions, and construction of provisions, as follows:

15 "(b)(1) Every member subject to this Code section shall, upon becoming eligible under the
16 provisions of this chapter, be entitled to a service retirement allowance, which shall consist
17 of:

18 (A) An annuity which shall be the actuarial equivalent of the member's accumulated
19 contributions at the time of retirement; and

20 (B)(i) For members who are members on June 30, 2008, and persons who again
21 become members on or after such date and have a vested right to be reinstated in this
22 retirement system, a ~~A~~ monthly pension which, together with the annuity, shall
23 provide a total retirement allowance equal to more than 1.5 percent, but not greater than
24 2 percent, the actual percent to be set by the board of trustees in direct relation to the
25 amount of increased appropriations provided by the General Assembly to fund the
26 provisions of this paragraph, of the member's highest average monthly earnable
27 compensation during a period of 24 consecutive calendar months while a member of
28 the retirement system, multiplied by the number of the member's years of creditable
29 service; or

30 (ii) For persons who first or again become members on or after July 1, 2008, and
31 persons who again become members on or after such date and do not have a vested
32 right to be reinstated in this retirement system, a monthly pension which, together with
33 the annuity, shall provide a total retirement allowance equal to 1 percent of the
34 member's highest average monthly earnable compensation during a period of 24
35 consecutive calendar months while a member of the retirement system, multiplied by
36 the number of the member's years of creditable service.

1 (2) For members subject to this Code section, the calculation of retirement benefits or
2 allowances for any other form or type of retirement shall also be based upon the
3 calculations provided for in paragraph (1) of this subsection."

4 **SECTION 3.**

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

10 **SECTION 4.**

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