



## DEPARTMENT OF AUDITS AND ACCOUNTS

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The Honorable Bill Heath  
State Senator  
State Capitol, Room 109  
Atlanta, Georgia 30334

SUBJECT: State Auditor's Certification  
Substitute to Senate Bill 156  
(LC 21 9416S)

Dear Senator Heath:

This substitute bill would amend provisions relating to minimum funding standards for public retirement systems. Specifically, this bill would authorize political subdivisions to establish plans to provide for the payment of other post-employment benefits, as defined by Governmental Accounting Standards Board Statements Number 43 and Number 45 for eligible present and future retirees, and for other related expenses. Other than the exception specified in this bill, the plan and assets of any trust or fund would be under the governance and investment authority of a retirement system maintained by the political subdivision or other board of trustees established for such purpose. All employer contributions, plan participant contributions, appropriations, earnings, and reserves for the payment of obligations under the plan shall be credited to such trust or fund. Any funds that remain after covered other post-employment benefit expenses and administrative costs have been paid shall be retained in such trust or fund for future payments until all plan liabilities under the trust or fund for other post-employment benefits are satisfied. This bill also provides that prefunded assets of whatever kind or nature of any other post-employment benefit plan or trust, and the earnings derived from such investments, must be used to fund covered other post-employment benefits and administrative costs. Such assets are declared to be public property and are exempt from taxation, levy and sale, garnishment, attachment, or any other process.

This substitute bill also provides that employers who are eligible to participate in the Georgia

Municipal Employees Benefit System may establish or participate in an other post-employment benefit plan, trust, or fund under the governance and investment authority of the board of trustees of the Georgia Municipal Employees Benefit System. The assets of any such plan, trust, or fund may be maintained as part of the same investment pool as the system retirement fund. However, such assets must be accounted for and recorded separately.

This is to certify that this substitute bill is a nonfiscal retirement bill as defined in the Public Retirement Systems Standards Law.

Respectfully,

/s/ Russell W. Hinton  
State Auditor