

House Resolution 1271

By: Representatives Gardner of the 57th, Bridges of the 10th, Buckner of the 130th, Coleman of the 97th, Ashe of the 56th, and others

A RESOLUTION

1 Creating the Joint Public Retirement System COLA Study Committee; and for other
2 purposes.

3 WHEREAS, in 1967, the General Assembly authorized the Board of Trustees of the
4 Employees' Retirement System of Georgia to adopt a method of providing postretirement
5 benefit adjustments "for the purpose of maintaining essentially no less purchasing power for
6 a beneficiary in his postretirement years," and such provision is codified in O.C.G.A.
7 Section 47-2-29; and

8 WHEREAS, this year, for the first time in four decades, the retired members of the
9 Employees' Retirement System of Georgia were not granted the standard cost of living
10 allowance established in 1967, and indications are there will not be sufficient funds to grant
11 a full COLA in the foreseeable future, and a possibility exists that no COLA at all will be
12 granted; and

13 WHEREAS, state employees are compensated at only 80 percent of industry standard wages,
14 and there is a very real possibility without annual cost-of-living benefit adjustments, those
15 retired employees, many of whom worked their entire career for modest wages and who had
16 every reason to expect that their benefits would be maintained in such a way as to keep up
17 with inflation, will subside into poverty even as their age makes them wholly dependent upon
18 the promised retirement benefits; and

19 WHEREAS, the percentage of the employer contribution made on behalf of state employees
20 through appropriations is at an historic low, even at a time of economic instability which
21 adversely affects the earning power of the retirement system investments; and

22 WHEREAS, the Teachers Retirement System of Georgia, the sister to the Employees'
23 Retirement System of Georgia, has securely funded cost-of-living adjustments at the

1 guaranteed rate of 3 percent per year into the future, and most other public retirement
2 systems are comfortable that they will be able to grant such adjustments in the future; and

3 WHEREAS, the Georgia Judicial Retirement System, while currently able to fund
4 cost-of-living benefit adjustments, is projected to be in a situation soon in which it will no
5 longer be able to do so, thus adversely affecting judges and district attorneys throughout the
6 state, and logic would dictate that the problem be addressed now rather than waiting for a
7 crisis to arise; and

8 WHEREAS, concerns of equity and basic humanity demand that the General Assembly not
9 abandon its promise to state employees that their retirement benefits will not be permitted
10 to erode to insufficiency, but rather that their ability to purchase the things necessary to life
11 will remain level during their retirement years.

12 NOW, THEREFORE, BE IT RESOLVED BY THE GENERAL ASSEMBLY OF
13 GEORGIA that there is created the Joint Public Retirement System COLA Study Committee
14 to be composed of five members of the House of Representatives to be appointed by the
15 Speaker of the House of Representatives and five members of the Senate to be appointed by
16 the President of the Senate. The Speaker of the House of Representatives shall designate a
17 member of the House and the President of the Senate shall designate a member of the Senate
18 who shall serve as cochairpersons of the committee. The committee shall meet at the call of
19 the cochairpersons.

20 BE IT FURTHER RESOLVED that the committee shall undertake a study of the conditions,
21 needs, issues, and problems mentioned above or related thereto and recommend any actions
22 or legislation which the committee deems necessary or appropriate. The committee may
23 conduct such meetings at such places and at such times as it may deem necessary or
24 convenient to enable it to exercise fully and effectively its powers, perform its duties, and
25 accomplish the objectives and purposes of this resolution. The members of the committee
26 shall receive the allowances authorized for legislative members of interim legislative
27 committees but shall receive the same for not more than ten days unless additional days are
28 authorized. The funds necessary to carry out the provisions of this resolution shall come
29 from the funds appropriated to the House of Representatives and Senate. In the event the
30 committee makes a report of its findings and recommendations, with suggestions for
31 proposed legislation, if any, such report shall be made on or before December 31, 2008. The
32 committee shall stand abolished on December 31, 2008.