

The House Committee on Retirement offers the following substitute to HR 1271:

#### 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 four members of the House of Representatives and one retired member  
15 of the Employees' Retirement System of Georgia to be appointed by the Speaker of the  
16 House of Representatives and four members of the Senate and one retired member of the  
17 Employees' Retirement System of Georgia to be appointed by the President of the Senate.  
18 The Speaker of the House of Representatives shall designate a member of the House and the  
19 President of the Senate shall designate a member of the Senate who shall serve as  
20 cochairpersons of the committee. The committee shall meet at the call of the cochairpersons.

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