



## DEPARTMENT OF AUDITS AND ACCOUNTS

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March 5, 2008

The Honorable Bill Heath, Chairman  
Senate Retirement Committee  
State Capitol, Room 109  
Atlanta, Georgia 30334

SUBJECT: State Auditor's Certification  
Substitute to Senate Bill 328  
(LC 21 9867S)

Dear Senator Heath:

This bill would amend provisions relating to membership and the service retirement allowance under the Employees' Retirement System by creating the "Georgia State Employees' Pension and Savings Plan." Specifically, this bill would apply to persons who first or again become members of the Employees' Retirement System on or after January 1, 2009. Under the provisions of this legislation, such members would receive retirement benefits equal to 1 percent of their highest average monthly compensation during a period of 24 consecutive calendar months multiplied by the member's years of creditable service. Benefits paid to persons who are already members on December 31, 2008 would continue to be calculated based on 2 percent of their compensation.

This substitute bill also provides for an additional benefit through optional participation in a deferred compensation plan offered by the State for public employees. Members covered by this proposed plan could also receive up to 3% contribution from the State, provided the employee contributes 5% of his or her compensation into the plan. Members would be authorized to make contributions greater than 5%. Members who participate in this plan

would be vested at a rate of 20% per year, and be fully vested after five years of service.

This substitute bill also includes provisions to allow existing members to elect participation in this proposed plan. Members who make this election would have their retirement benefits computed on a prorated basis. Furthermore, this substitute bill includes provisions relating to disability benefits for persons covered under the “Georgia State Employees’ Pension and Savings Fund” and specifies that members covered by this proposed plan would not be entitled to group term life insurance coverage under the Employees’ Retirement System.

This is to certify that this substitute bill is a reduction in cost amendment as defined in the Public Retirement Systems Standards Law. A copy of the actuarial investigation and State Auditor’s Summary for Senate Bill 328 (LC 21 9867S) is attached.

Respectfully,

/s/ Russell W. Hinton  
State Auditor

RWH/cs