



DEPARTMENT OF AUDITS AND ACCOUNTS

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March 11, 2008

The Honorable Mitch Seabaugh
State Senator
State Capitol, Room 421-D
Atlanta, Georgia 30334

SUBJECT: State Auditor's Certification
Amendment to SB 328 (LC 21 9867S)
As Amended (AM 21 3579)

Dear Senator Seabaugh:

As amended, this bill would create the "Georgia State Employees' Pension and Savings Plan" and would affect 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 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 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.

The proposed amendment (AM 21 3579) would revise provisions relating to the State Employees’ Assurance Department. Specifically, this amendment would specify that no moneys in either the retired and vested inactive members trust fund or the active members fund which include assets relating to group term life insurance shall be transferred or be expended for any purpose other than the prepayment of benefits and expenses necessary for maintaining survivors benefit coverage prior to July 1, 2009, without express legislative enactment.

This is to certify that this amendment is a nonfiscal amendment as defined in the Public Retirement Systems Standards Law. Therefore, the actuarial investigation and State Auditor’s Summary for Senate Bill 328 (LC 21 9867S) would apply to this amendment (AM 21 3579). 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

WH/cs