



DEPARTMENT OF AUDITS AND ACCOUNTS

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

SUBJECT: State Auditor's Certification
Amendment to SB 328 (LC 21 9867S)
As Amended (AM 21 3575)

Dear Chairman Heath:

As amended, this bill would create the "Georgia State Employees' Pension and Savings Plan" under the Employees' Retirement System of Georgia. 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 the 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. This amendment clarifies that law enforcement personnel covered under O.C.G.A. 47-2-223 and O.C.G.A. 47-2-224, who are hired on or after January 1, 2009, would continue to be eligible to retire in accordance with such provisions. However, such members would receive benefits based on 1 percent of their highest average monthly compensation.

As amended, this bill also provides for an additional benefit through optional participation in a deferred compensation plan offered by the State for public employees. The amendment specifies that all members would automatically be enrolled in the plan, but would have 90

days from the date of enrollment to withdraw from the plan. Members who withdraw from the plan during the first 90 days would be paid for any balance in the account. This amended bill also specifies that participation in the plan is voluntary. However, once the member has been enrolled beyond 90 days, the member may not terminate his or her membership in the plan and may not withdraw the contributions and earnings in the account. This amended bill also outlines the contributions that may be made by the employee and the level of matching funds provided by the employer.

This is to certify that this amendment (AM 21 3575) 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 3575). 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