

House Resolution 1271 (RULES COMMITTEE SUBSTITUTE)

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 House 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 HOUSE OF REPRESENTATIVES that
13 there is created the House Public Retirement System COLA Study Committee to be
14 composed of six members of the House of Representatives and one retired member of the
15 Employees' Retirement System of Georgia to be appointed by the Speaker of the House of
16 Representatives. The Speaker of the House of Representatives shall designate a member of
17 the House who shall serve as the chairperson of the committee. The committee shall meet
18 at the call of the chairperson.

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