



## DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156  
Atlanta, Georgia 30334-8400

Russell W. Hinton  
State Auditor  
(404) 656-2174

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The Honorable Ben Bridges, Chairman  
House Retirement Committee  
State Capitol, Room 402  
Atlanta, Georgia 30334

SUBJECT: State Auditor's Certification  
Substitute to SB 328 (LC 21 9929S)

Dear Chairman Bridges:

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 substitute bill, such members would initially receive a retirement allowance 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 substitute bill would authorize the board of trustees to set future retirement allowances up to 2 percent, provided such allowance is in direct relation to any increased appropriations by the General Assembly expressly for such increase. 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.

Additionally, this bill 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.

Furthermore, this bill revises provisions relating to the State Employees’ Assurance Department. Specifically, this provision 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 bill also adds provisions relating to creditable service under the Georgia Judicial Retirement System. Specifically, this bill would allow any superior court judge or district attorney who is a member of the System to obtain up to five years of creditable service for past service as a circuit-paid assistant district attorney, provided such member was not eligible to participate in a local retirement plan. Under the provisions of this substitute bill, members wishing to obtain such creditable service would be required to pay the full actuarial cost of such service and would be required to provide the necessary proof of eligible service. Payments must be made to the Board of Trustees by December 31, 2008 or within six months of first or again becoming a member of the System, whichever is later.

This is to certify that the changes made in this substitute bill are nonfiscal amendments as defined in the Public Retirement Systems Standards Law. It should be noted that the actuarial investigation and State Auditor’s Summary for Senate Bill 328 (LC 21 9867S) would apply to the provisions of this bill that relate to the Employees’ Retirement System. The retirement certification for House Bill 545 (LC 21 9801S) and the actuarial investigation and State Auditor’s Summary for House Bill 545 (LC 21 9269) would apply to the provisions of this bill that relate to the Judicial Retirement System. Copies of these documents are attached.

Respectfully,

/s/ Russell W. Hinton  
State Auditor

RWH/cs