



DEPARTMENT OF AUDITS AND ACCOUNTS

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April 2, 2008

The Honorable David Shafer
State Senator
State Capitol, Room 421-F
Atlanta, Georgia 30334

SUBJECT: State Auditor's Certification
Substitute to HB 373 (LC 21 9760S)
As Amended (AM 21 3610)

Dear Senator Shafer:

As amended, this bill would revise provisions relating to retirement benefits for certain members of the Employees' Retirement System. Specifically, this bill would affect members who are in service in the Uniform Division of the Department of Public Safety. Under the provisions of this bill, such members would be eligible to retain their retirement benefits if they return to full-time service within the Uniform Division of the Department of Public Safety, provided they do not return to work within the first 12 months of their retirement. Such persons would not be considered active members of the Employees' Retirement System, and would not accrue any additional benefits or creditable service. The employer would be required to pay the employee and employer contributions that would be applicable to the employee. This substitute bill also specifies that the salary and rank of any person who returns to work under this Code Section shall be subject to negotiation. However, no person shall be re-employed at a higher salary or rank than he or she held at the time of retirement. Additionally, no person currently employed can be denied a promotion to a higher rank for which he or she would be eligible because of the operation of this Code Section. It should be noted that the Department of Public Safety would have the sole discretion to permit any person to return to work under the provisions of this legislation.

The amendment offered by (AM 21 3610) would revise provisions related to creditable service for members of the Employees' Retirement System. Specifically, this bill would allow any member who was previously a member of the Judicial Retirement System but did not vest for a benefit under such system, to obtain creditable service in the Employees' Retirement System for such prior service. Any member wishing to obtain such creditable service must notify the board of trustees of the Employees' Retirement System by December 31, 2008. Upon notification, the board of trustees of the Georgia Judicial Retirement System shall transfer to the Employees' Retirement System all applicable employee and employer contributions paid by or on behalf of the employee, with regular interest, less an amount to ensure no increase in the unfunded actuarial accrued liability occurs. This bill also allows the member to supplement the contributions made by the Judicial Retirement System with any amount that he or she desires. Upon receipt of the funds, the Employees' Retirement System will credit the member for the amount of service funded by the contributions, but not more than the actual number of years for which he or she was credited with under the Judicial Retirement System. Under this amendment, members of the Employees' Retirement System who were previously non-vested members of the District Attorney's Retirement System may obtain creditable service for service covered under the District Attorney's Retirement System.

This is to certify that the changes made in this substitute bill are nonfiscal amendments as defined in the Public Retirement Systems Standards Law. Therefore, the actuarial investigation and State Auditor's Summary prepared for House Bill 373 (LC 21 9725S) would apply to this substitute bill (LC 21 9760S). A copy of the actuarial investigation and State Auditor's Summary for HB 373 (LC 21 9725S) is attached.

Respectfully,

/s/ Russell W. Hinton
State Auditor

RWH/cs