

House Bill 1223

By: Representative Maxwell of the 17th

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 47 of the Official Code of Georgia Annotated, relating to retirement and
2 pensions, so as to provide that the State Employees' Assurance Department may insure,
3 reinsure, or otherwise contract for assumption of liabilities in regard to its undertakings to
4 provide group term life insurance for members of the Employees' Retirement System of
5 Georgia, the Georgia Legislative Retirement System, and the Georgia Judicial Retirement
6 System; to provide for obligations of the department; to provide for the return of funds to
7 such retirement systems; to provide that the boards of trustees of such retirement systems
8 shall dispose of such funds in a certain manner; to provide for related matters; to repeal
9 conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 style="text-align:center">**SECTION 1.**

12 Title 47 of the Official Code of Georgia Annotated, relating to retirement and pensions, is
13 amended by revising Code Section 47-2-129, relating to group term life insurance protection
14 as part of survivors benefits program, as follows:

15 "47-2-129.

16 (a) The board of trustees may provide group term life insurance protection for the
17 members of the retirement system as the survivors benefits program provided for in Code
18 Section 47-2-128 by contracting for such service with the State Employees' Assurance
19 Department or any insurance company licensed to operate in Georgia, which company has
20 experience in the underwriting of groups similar in size and type of coverage. Such
21 contract must provide benefits to those persons entitled to benefits under Code Section
22 47-2-128. All or any part of funds and other assets previously accumulated for the
23 purposes of Code Section 47-2-128 may be used by the board of trustees in the execution
24 of this contract. Contributions for such coverage shall be provided for and collected as set
25 forth in subsection (d) of Code Section 47-2-128.

26 (b) In the event the State Employees' Assurance Department transfers funds to this
 27 retirement system as provided in Code Section 47-19-10, the board of trustees shall ensure
 28 that sufficient funds are retained to satisfy all remaining liabilities relating to the survivors
 29 benefit program not otherwise accounted for; then, upon the advice of the actuary for the
 30 fund the board of trustees may deposit such funds in the pension accumulation fund or
 31 provide such discretionary benefit to members as allowed by law, within the sole discretion
 32 of the board of trustees; provided, however, that in the event federal cost accounting
 33 principles, some other requirement of federal financial assistance, or some other controlling
 34 law requires a different disposition of funds, the board of trustees shall provide for
 35 disposition in compliance with such requirement."

36

SECTION 2.

37 Said title is further amended by adding a new Code section to read as follows:

38 "47-6-26.

39 In the event the State Employees' Assurance Department transfers funds to this retirement
 40 system as provided in Code Section 47-19-10, the board of trustees shall ensure that
 41 sufficient funds are retained to satisfy all remaining liabilities relating to the survivors
 42 benefit program not otherwise accounted for; then, upon the advice of the actuary for the
 43 fund the board of trustees may deposit such funds in the pension accumulation fund or
 44 provide such discretionary benefit to members as allowed by law, within the sole discretion
 45 of the board of trustees; provided, however, that in the event federal cost accounting
 46 principles, some other requirement of federal financial assistance, or some other controlling
 47 law requires a different disposition of funds, the board of trustees shall provide for
 48 disposition in compliance with such requirement."

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SECTION 3.

50 Said title is further amended by adding a new Code section to read as follows:

51 "47-19-11.

52 (a) As used in this Code section, the term:

53 (1) 'Board' means the board of trustees of the department.

54 (2) 'Department' means the State Employees' Assurance Department.

55 (3) 'Participating retirement system' means the Employees' Retirement System of
 56 Georgia, the Georgia Legislative Retirement System, and the Georgia Judicial Retirement
 57 System.

58 (b) Upon the approval of the board of trustees of each participating retirement system, the
 59 department may insure, reinsure, or otherwise contract for assumption of liabilities in
 60 regard to its undertakings to provide group term life insurance. The department shall

61 provide for active members separately from retired and vested inactive members and may
 62 provide for one group by this method and not the other. The department may negotiate or
 63 competitively procure any such contract or contracts under such procedures and under
 64 terms and conditions as it determines appropriate without necessity of compliance with
 65 Article 3 of Chapter 5 of Title 50; provided, however, that the terms of any such contract
 66 shall be approved by the board of trustees of each participating retirement system. The
 67 board shall establish procedures for determining and qualifying the financial soundness and
 68 reliability of vendors.

69 (c)(1) The department may pay for the assumption of liabilities in regard to active
 70 members from the active members fund provided for in paragraph (2) of subsection (b)
 71 of Code Section 47-19-10 and from funds received from the participating retirement
 72 systems.

73 (2) The department may pay for the assumption of liabilities in regard to retired and
 74 vested inactive members from the retired and vested inactive members trust fund
 75 provided for in paragraph (1) of subsection (b) of Code Section 47-19-10 and from funds
 76 made available by the board of trustees of the participating retirement systems.

77 (d) The department shall establish such reserves in the active members fund and in the
 78 retired and vested inactive members trust fund as it deems necessary for its obligations on
 79 the advice of its actuaries and the approval of the boards of trustees of each of the
 80 retirement systems whose members participate in the group term life insurance program.
 81 The department shall transfer any funds in excess of reserves to the board of trustees of the
 82 participating retirement systems on a per capita basis."

83 **SECTION 4.**

84 Said title is further amended by revising Code Section 47-23-29, relating to survivors
 85 benefits under the Georgia Judicial Retirement System, by adding a new subsection to read
 86 as follows:

87 "(g) In the event the State Employees' Assurance Department transfers funds to this
 88 retirement system as provided in Code Section 47-19-10, the board of trustees shall ensure
 89 that sufficient funds are retained to satisfy all remaining liabilities relating to the survivors
 90 benefit program not otherwise accounted for; then, upon the advice of the actuary for the
 91 fund the board of trustees may deposit such funds in the pension accumulation fund or
 92 provide such discretionary benefit to members as allowed by law, within the sole discretion
 93 of the board of trustees; provided, however, that in the event federal cost accounting
 94 principles, some other requirement of federal financial assistance, or some other controlling
 95 law requires a different disposition of funds, the board of trustees shall provide for
 96 disposition in compliance with such requirement."

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SECTION 5.

98 All laws and parts of laws in conflict with this Act are repealed.