

House Bill 459

By: Representatives Fludd of the 66<sup>th</sup>, Bruce of the 64<sup>th</sup>, Willard of the 49<sup>th</sup>, Wilkinson of the 52<sup>nd</sup>, Jones of the 44<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend an Act providing in Fulton County a system for pension and retirement pay to  
2 teachers and employees of the Board of Education of Fulton County, approved February 2,  
3 1945 (Ga. L. 1945, p. 528), as amended, so as to revise extensively such Act and amendatory  
4 Acts; to provide for definitions; to provide for employee participation; to provide for  
5 employer contributions; to provide for normal retirement benefits; to provide for early  
6 retirement benefits; to provide for disability benefits; to provide for deferred vested benefit;  
7 to provide for a death benefit; to provide for payment of accrued benefit; to provide for  
8 miscellaneous provisions; to provide for administration; to provide for contributions; to  
9 provide for related matters; to provide an effective date; to repeal conflicting laws; and for  
10 other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

13 An Act providing in Fulton County a system for pension and retirement pay to teachers and  
14 employees of the Board of Education of Fulton County, approved February 2, 1945 (Ga. L.  
15 1945, p. 528), as amended, is amended by striking all provisions of such Act and all  
16 amendatory Acts and inserting in lieu thereof the following:

17 style="text-align:center">"ARTICLE I

18 style="text-align:center">DEFINITIONS

19 style="text-align:center">**SECTION 1.01.**

20 style="text-align:center">Definitions.

21 As used in this Act, the term:

22 (1) 'Accrued benefit' means a participant's normal retirement benefit under Section 4.02  
23 of this Act based on his or her average annual compensation and years of creditable  
24 service as of any date of reference.

- 25 (2) 'Actuary' means an enrolled actuary, or firm of actuaries, selected by the employer  
26 to provide actuarial services to the plan.
- 27 (3) 'Average compensation' means, as applicable:
- 28 (A) 'Three-year high average compensation' means the three periods of 12 consecutive  
29 months during which the participant received his or her highest compensation; and
- 30 (B) 'Five-year high average compensation' means the average of the participant's  
31 monthly compensation for the five consecutive periods of 12 consecutive months  
32 during which the participant had the highest monthly salary or wage.
- 33 (4) 'Beneficiary' means a participant's surviving spouse or, if a participant has no  
34 surviving spouse as of the date of his or her death, the participant's surviving minor  
35 children.
- 36 (5) 'Benefit commencement date' means, when referring to a participant or beneficiary,  
37 the first day of the first period for which payment of the benefit under the plan is  
38 scheduled to commence, either as a result of a written election or by operation of the plan,  
39 whichever is applicable.
- 40 (6) 'Board' means the Fulton County Board of Education.
- 41 (7) 'Board of commissioners' means the Board of Commissioners of Fulton County.
- 42 (8) 'Code' means the federal Internal Revenue Code of 1986, as amended.
- 43 (9) 'Compensation' means the total amount of all payments, direct or indirect, made by  
44 the employer to an employee for services rendered to the employer for a calendar year  
45 which ends within a plan year, as defined in Section 3401(a) of the Code for purposes of  
46 tax withholding at the source as reported to the employee on form W-2 for such year.  
47 Compensation shall include employee contributions and before-tax or salary deferral  
48 contributions made under Sections 125, 402(g)(3), 401(k), 457, or 414(h) of the Code to  
49 the plan or any other plan of the employer on behalf of a participant for such plan year;  
50 provided, however, that for purposes of calculating limits on benefits under Section 415  
51 of the Code, employee contributions made with respect to service on and after July 1,  
52 1990, shall not be included in compensation. Notwithstanding the foregoing, in no event  
53 shall the annual compensation taken into account under the plan for plan years or other  
54 applicable periods exceed \$200,000.00, as adjusted by the Internal Revenue Service  
55 under Section 401(a)(17) of the Code for cost of living increases and prorated on the  
56 basis of months for any period less than 12 months. If a participant receives differential  
57 pay from the employer for qualified military service while on a military leave of absence  
58 under USERRA, such differential pay shall be treated as compensation for plan years  
59 starting after December 31, 2008, in accordance with Section 414(u) of the Code and the  
60 regulations thereunder.

- 61 (10) 'Cost of living adjustment' means the adjustment in the amount of a participant's  
62 benefit made in accordance with Section 9.05 of this Act.
- 63 (11) 'Deferred vested benefit' means, when referring to a participant, the benefit  
64 described in Article VII of this Act.
- 65 (12) 'Disability or disabled' means a condition of a participant arising from illness or  
66 injury which is expected to be permanent and which prevents him or her from performing  
67 a substantial portion of his or her occupation or such other line of work as he or she might  
68 reasonably be expected to follow, considering his or her education, experience, age, and  
69 natural abilities, as determined in the sole discretion of the board in accordance with  
70 Article VI of this Act.
- 71 (13) 'Early retirement age' means the age of a participant as described in Section 5.01 of  
72 this Act.
- 73 (14) 'Effective date' means July 1, 2009.
- 74 (15) 'Eligible employee' means any full-time employee who is not eligible for the TRS.  
75 Such term shall include a teacher who was employed by the employer before July 1,  
76 1988, and a nonteacher management or supervisory employee who is eligible for the TRS  
77 but is otherwise an eligible employee. Notwithstanding the foregoing, the following  
78 individuals shall not be eligible to participate in the plan:
- 79 (A) A teacher who was employed by the employer before July 1, 1988, separates from  
80 service after July 1, 1988, and subsequently returns to employment with the employer.  
81 Such teacher shall be eligible for any benefits accrued under the plan prior to his or her  
82 separation from service but shall not accrue any additional benefits under the plan;
- 83 (B) Any individual who is an employee solely by means of being a 'leased employee'  
84 under Section 414(n)(2) of the Code;
- 85 (C) Temporary, casual, and part-time employees; and
- 86 (D) Employees hired on a contract basis.
- 87 (16) 'Employee' means any person employed by the employer as a common law  
88 employee and shall include the superintendent of the Fulton County school system if such  
89 superintendent is an employee when promoted to superintendent.
- 90 (17) 'Employee contribution' means the amounts paid to the plan by an employee, as set  
91 forth in Sections 2.01 and 2.06 of this Act.
- 92 (18) 'Employer' means the Fulton County Board of Education.
- 93 (19) 'Full-time employee' means an employee who regularly performs services for the  
94 employer for at least 50 percent of the number of hours per week established by the  
95 employer as full time for that employee's employment classification.
- 96 (20) 'Grandfathered participant' means a participant whose last day of employment with  
97 the employer occurred prior to the effective date of this Act.

- 98 (21) 'Joint and 70 percent or 75 percent survivor annuity' means an annuity payable for  
99 the life of the participant, with 70 or 75 percent, as applicable, of the participant's benefit  
100 payable to his or her surviving spouse, if any, and at the death of surviving spouse or, if  
101 none, with such payments of the 70 or 75 percent benefit continuing to the participant's  
102 then surviving minor children, if any, until the earlier of the date such minor children  
103 dies, is married, or reaches the age of 21. If more than one minor child shall become  
104 eligible for benefits, benefits shall be paid on a per capita basis. If a minor child becomes  
105 ineligible to receive such benefit by reason of death, marriage, or reaching age 21, the  
106 portion of the 70 or 75 percent benefit payable to such minor child shall be distributed per  
107 capita among any remaining minor children of the participant. The 70 or 75 percent  
108 benefit shall be based on the benefit amount payable to the participant as of the date of  
109 death, including any cost-of-living adjustments.
- 110 (22) 'Limitation year' means the calendar year, which shall be the 'limitation' year for  
111 purposes of Section 415 of the Code and the regulations promulgated thereunder.
- 112 (23) 'Minor child' means the unmarried child of a participant who has not attained age  
113 21.
- 114 (24) 'Normal retirement age' means age 65 with at least ten years' creditable service.
- 115 (25) 'Normal retirement benefit' means, when referring to a participant, the benefit  
116 described in Article IV of this Act.
- 117 (26) 'Participant' means an eligible employee who becomes a participant in the plan in  
118 accordance with the provisions of Section 2.01 of this Act.
- 119 (27) 'Pension board' means the committee of individuals chosen pursuant to Section  
120 12.01 of this Act to administer the plan.
- 121 (28) 'Plan' means the Fulton County School Employees Pension Fund as contained in this  
122 Act, all amendments hereto, and the applicable provisions of Title 47 of the O.C.G.A.  
123 which are incorporated herein by this reference.
- 124 (29) 'Plan year' means the 12 month period beginning on July 1 of each year and ending  
125 on the following June 30.
- 126 (30) 'Prior plan' means the Fulton County Employees Pension Fund as set forth in the  
127 Act entitled 'An Act to provide in Fulton County a system for pension and retirement pay  
128 to teachers and employees of the Board of Education of Fulton County' as originally  
129 approved February 2, 1945, (Ga. L. 1245, p. 528) and all amendments thereto prior to the  
130 effective date.
- 131 (31) 'Qualified military leave of service' means any service in the uniformed services by  
132 an individual who is entitled to reemployment rights under USERRA.
- 133 (32) 'Safety net participant' means a participant who was employed by the employer  
134 before July 1, 1988, as a teacher or a participant who becomes eligible for and

135 participates in the TRS by virtue of his or her status as a nonteacher management or  
 136 supervisory employee.

137 (33) 'Surviving spouse' means the person who is treated as married to a participant under  
 138 the laws of the state in which the participant resides as of the date of death and is married  
 139 to the participant as of the date immediately preceding the participant's date of retirement  
 140 and date of death.

141 (34) 'Survivor benefits' means the benefits payable to a participant's surviving spouse or  
 142 minor children, or both, in accordance with subsection (a) of Section 4.02 or Article VIII  
 143 of this Act.

144 (35) 'Teacher' means any full-time employee employed by the board in a position which  
 145 is included in the definition of 'teacher' under the provisions of the TRS.

146 (36) 'TRS' means the Georgia Teachers Retirement System, as set forth in Title 47,  
 147 Chapter 3 of the O.C.G.A.

148 (37) 'Trust fund' means the total amount of cash and other property held or acquired by  
 149 the trustee under the trust.

150 (38) 'Trustee' means the pension board.

151 (39) 'USERRA' means the federal Uniform Services Employment and Reemployment  
 152 Rights Act of 1994, as amended.

153 (40) 'Year of creditable service' means (A) each period during which the participant is  
 154 a plan participant and works as a full-time employee for at least 50 percent of the  
 155 officially scheduled working days in each of nine months in the 12 month period from  
 156 July 1 through June 30; and (B) each year of service credited under the terms of  
 157 subsection (c) of Section 2.02 and Section 2.03 of this Act. If a participant works less  
 158 than said nine months during any such period, he or she shall be credited with a fraction  
 159 of a year computed by dividing the actual months of service by nine months. In no event  
 160 shall a participant be credited with more than one year of creditable service for any 12  
 161 month period.

## 162 ARTICLE II

### 163 EMPLOYEE PARTICIPATION;

#### 164 CREDITABLE SERVICE

#### 165 SECTION 2.01.

#### 166 Eligibility.

167 An eligible employee shall become a participant in this Act effective on the first date of  
 168 employment as an eligible employee. All participants who are employed by the board as of  
 169 the effective date shall continue in accordance with the terms of this Act. The rights and

170 benefits of grandfathered participants shall be governed by the terms of the prior plan except  
171 to the extent specifically set forth in this Act.

172 **SECTION 2.02.**

173 Years of creditable service.

174 (a) Except as provided in subsection (d) of Section 4.02 of this Act, in calculating a  
175 participant's years of creditable service, all complete months of service with the employer  
176 shall be aggregated.

177 (b) A participant shall not receive service credit for periods during which (1) he or she is not  
178 employed by the employer unless he or she meets the requirements of Section 2.03 of this  
179 Act; (2) he or she is not an eligible employee; or (3) except as set forth in subsection (c) of  
180 this section, he or she is on leave of absence from the employer.

181 (c)(1) A participant may receive credit for periods of an authorized leave of absence with  
182 the employer, subject to the terms and conditions of this subsection. Any such credit that  
183 is granted pursuant to the terms of this subsection shall be treated as credit while in active  
184 service.

185 (2) A participant may continue to receive service credit by continuing to make employee  
186 contributions during the period of leave. Alternatively, the participant may purchase  
187 service credit for the period of the leave by making a payment in the amount of the  
188 employee contributions he or she would have made during the period of the leave, plus  
189 interest at the rate of 3 percent per annum, compounded annually from the date of the  
190 leave until the date paid. Such calculation shall include any employee contributions that  
191 would be required to opt in to an alternate plan, as described in subsection (c) of Section  
192 4.02 of this Act. An election to make such payment may be made at any time during  
193 participant's employment with the employer. Except as noted in paragraph (3) of this  
194 subsection for certain periods of military or Red Cross leave, the cost of such service may  
195 be paid in a lump sum or, at the discretion of the board, in installments for up to 60  
196 months or such other period permitted by the board. The obligation to make such  
197 payments shall be secured in such manner as prescribed by the board. Interest on such  
198 installment payments shall be amortized at the rate of 3 percent per annum; however,  
199 interest shall not be charged for repayment of employee contributions accruing during a  
200 period of qualified military leave of absence on and after December 12, 1994, if such  
201 repayment is made within the time limit imposed under Section 414(u) of the Code, as  
202 amended.

203 (3) For periods on and after December 12, 1994, all prior service credit for a qualified  
204 military leave of absence shall be granted in accordance with Section 414(u) of the Code,

205 as amended. For approved military leaves of absence prior to that date, and for all  
206 approved Red Cross leaves of absence, all repayment of employee contributions shall be  
207 made within 36 months of reassignment by the board. Except to the extent required by  
208 USERRA, no credit shall be allowed to a participant who voluntarily reenlists in the  
209 military service after the end of said leave for the period of reenlistment unless he or she  
210 is granted an additional military leave by the board.

211 (4) A participant who is granted a leave by the board for reasons of illness or study may  
212 purchase service credit for such leave by repaying employee contributions in accordance  
213 with paragraph (1) of this subsection; provided, however, that no participant shall be  
214 entitled to such credit for a time exceeding two years of creditable service; and provided,  
215 further, that limit of two years of creditable service shall not be included in determining  
216 the limit on service credit that can be purchased for prior service with other employers  
217 under the terms of Section 2.03 of this Act.

### 218 **SECTION 2.03.**

#### 219 **Prior service.**

220 (a) A participant shall receive credit toward his or her years of creditable service for certain  
221 periods during which he or she is not an eligible employee, provided he or she meets the  
222 requirements of this section.

223 (b)(1) A participant shall purchase all prior service credit in the amount and on the terms  
224 set out in this section and shall provide any proof or documentation of prior service as is  
225 required by the board.

226 (2) A participant may not purchase or receive credit for more than a total of ten years of  
227 prior service. This provision shall not apply to a purchase of service credit under Section  
228 2.06 of this Act.

229 (3) A participant who was first employed by the board after March 14, 1978, shall not  
230 receive credit for any prior service that is used to calculate a pension benefit under any  
231 other pension plan.

232 (4) Prior service shall be credited only for periods of full-time employment.

233 (5) A participant may request prior service credit at any time during his or her  
234 employment with the employer. The cost of such service may be paid in a lump sum or,  
235 at the discretion of the board, in installments for up to 60 months or such other period  
236 permitted by the pension board. The obligation to make such payments shall be secured  
237 in such manner as prescribed by the board. All such payments shall be paid in full prior  
238 to retirement.

239 (6) The cost of service shall be calculated by determining the amount an eligible  
240 employee would have paid had he or she been a participant in the plan during the period  
241 of such prior service, provided that the cost shall be calculated on the basis of the period  
242 of service that results in the lowest total cost to the participant. The cost of service may  
243 include the amount of matching contributions as set out in subsection (c) of this section.  
244 The calculation shall be based on the compensation assumptions and interest rates set out  
245 in subsection (c) of this section. The calculation shall also include any contributions that  
246 would be required to opt in to an alternate plan, as described in subsection (e) of Section  
247 4.02 of this Act.

248 (7) Notwithstanding anything to the contrary contained in this section, all prior service  
249 credit for a qualified military leave of absence shall be granted in accordance with  
250 Section 414(u) of the Code.

251 (c)(1) Credit may be given for all experience as a teacher or principal in schools in this  
252 state receiving public funds in whole or in part. The cost of such credit shall be based on  
253 the participant's compensation as of the date of his or her employment with the board and  
254 calculated at an annual interest rate of 3 percent from the date of employment with the  
255 board, compounded annually. If the participant pays such cost in installment payments,  
256 payments shall be amortized at an annual rate of 3 percent. No matching contribution is  
257 required. If such service was rendered during a period prior to March 5, 1957, such  
258 contribution shall be based upon the requirements of the prior plan prior to that date.

259 (2) As used in this paragraph, the term 'prior service' means service rendered in a state  
260 public school system, college or university, or United States dependents' school outside  
261 the State of Georgia prior to employment by the board. A participant may receive credit  
262 for prior service, up to a maximum of five years, after having been employed as a teacher  
263 by the employer for a period of five years. For each additional year beyond five years,  
264 credit may be given for one year's prior service for each year such teacher shall continue  
265 in the service of the employer, with a maximum of ten years' prior service credit to be  
266 allowed. The cost of such credit shall be based on the salary scale developed by the  
267 pension board, shall include an equivalent amount for the matching funds that would have  
268 been paid by the board or the board of commissioners, and shall be calculated at a simple  
269 annual rate of interest of 6 percent from the later of October 9, 1963, or the date of  
270 employment with the board. If the participant pays such cost in installment payments,  
271 payments shall be amortized at an annual rate of 6 percent.

272 (3) The provisions for receiving credit for prior service as provided in this section for  
273 teachers shall likewise apply upon the same terms and conditions to all other eligible  
274 employees, except no prior service credit shall be given to nonteaching employees for  
275 service rendered to an employer other than some branch of the governing authority of

276 Fulton County, or the governing authorities of the Counties of Campbell and Milton,  
 277 which have previously been merged with Fulton County, or any independent school  
 278 district that has been or may be merged with the Fulton County system. The cost of such  
 279 credit shall be based on the participant's compensation as of the date of his or her  
 280 employment with the board and calculated at an annual interest rate of 3 percent from the  
 281 date of employment with the board, compounded annually. If the participant pays such  
 282 cost in installment payments, payments shall be amortized at an annual rate of 3 percent.  
 283 No matching contribution is required.

284 (4) Subject to Section 414(u) of the Code, a participant who has served on active,  
 285 full-time duty in the armed forces of the United States during any period of active conflict  
 286 or national emergency may receive credit towards retirement for such service upon the  
 287 terms and conditions set forth in this section. The maximum amount of military service  
 288 credit which may be allowed shall not exceed four years for any and all forms of military  
 289 service and, when combined with other forms of prior service credit available under this  
 290 section, shall not exceed ten years. The cost of such credit shall be based on the salary  
 291 scale developed by the pension board, shall include an equivalent amount for the  
 292 matching funds that would have been paid by the board or the board of commissioners,  
 293 and shall be calculated at a simple annual rate of interest of 6 percent from the later of  
 294 October 3, 1972, or the date of employment with the board. If the participant pays such  
 295 cost in installment payments, payments shall be amortized at an annual rate of 6 percent.

296 (5) A participant who has served as a certificated teacher in a private school accredited  
 297 at the time of service by a state or regional accrediting agency may receive credit towards  
 298 retirement for such teaching service upon the terms and conditions set forth in this  
 299 section. The cost of such credit shall be based on the salary scale developed by the  
 300 pension board, shall include an equivalent amount for the matching funds that would have  
 301 been paid by the board or the board of commissioners, and shall be calculated at a simple  
 302 annual rate of interest of 6 percent from the later of October 3, 1972, or the date of  
 303 employment with the board. If the participant pays such cost in installment payments,  
 304 payments shall be amortized at an annual rate of 6 percent.

#### 305 **SECTION 2.04.**

##### 306 Participation upon reemployment.

307 A reemployed participant who is an eligible employee as of his or her reemployment date  
 308 shall reenter the plan as a participant on the date of reemployment. For this purpose, 'date  
 309 of reemployment' means the first day for which the reemployed participant is entitled to  
 310 compensation for the performance of services with the employer.

311 **SECTION 2.05.**

312 Change in eligible employee status.

313 If a participant does not terminate employment but ceases to be an eligible employee, then  
314 during the period that such participant is not an eligible employee the participant shall not  
315 make employee contributions to the plan nor accrue a benefit under the plan attributable to  
316 that period.

317 **SECTION 2.06.**

318 Service upon reemployment.

319 Except as otherwise provided in this section, a participant who is reemployed by the  
320 employer and again participates in the plan upon reemployment shall have all prior years of  
321 creditable service restored. If the participant was previously paid a lump sum refund of his  
322 or her employee contributions, the participant shall not be credited his or her prior years of  
323 creditable service unless the participant repays the amount of the lump sum upon his or her  
324 return to employment in the manner described in Section 2.03 of this Act. If the participant  
325 elects to repay such amount in installment payments, payments shall be amortized at an  
326 annual rate of 3 percent.

327 **SECTION 2.07.**

328 Mandatory participation; employee contributions.

329 (a) Participation in the plan shall be mandatory for all eligible employees, except that an  
330 eligible employee who is employed or reemployed by the employer on or after attaining age  
331 61 may make a one-time irrevocable election with the pension board whether to make  
332 employee contributions and participate in the plan. Each participant shall contribute to the  
333 plan an employee contribution of 5.6 percent of his or her compensation; in addition, a  
334 participant may make an additional employee contribution of 1 percent of his or her  
335 compensation, for a total employee contribution of 6.6 percent, if such participant wishes to  
336 provide survivor benefits for his or her beneficiary; provided, however, that the amount of  
337 employee contributions required by this Act for a safety net participant shall be reduced by  
338 the amount of his or her employee contributions that are required for his or her participation  
339 in the TRS.

340 (b) If a participant does not make the additional employee contributions for survivor benefits  
341 when he or she begins participation in the plan, he or she may elect to provide survivor  
342 benefits at a later time, subject to the following: A participant may request to purchase

343 survivor benefits for prior periods of participation in the plan at any time during his or her  
344 employment with the employer. The cost of such service may be paid in a lump sum or, at  
345 the discretion of the pension board, in installments for up to 60 months or such other period  
346 permitted by the pension board. The obligation to make such payments shall be secured in  
347 such manner as prescribed by the pension board. The cost of such benefits shall be  
348 calculated by determining the amount the participant would have paid for survivor benefit  
349 coverage during all his or her years of creditable service, including those periods of service  
350 credited under Section 2.03 of this Act. The calculation shall be based on participant's actual  
351 compensation during each such year of creditable service or, for periods of prior service  
352 calculated under Section 2.03 of this Act, under the compensation assumptions applicable  
353 to such service, with an annual simple interest rate of 3 percent. If the participant pays such  
354 cost in installment payments, payments shall be amortized at an annual rate of 3 percent. The  
355 calculation shall also include any contributions that would be required for survivor benefits  
356 under an applicable alternate plan, as described in subsection (e) of Section 4.02 of this Act.

357 (c) A participant, after electing and paying for survivor benefits, may at his or her or her  
358 option cease to make further contributions for such survivor benefits, in which event  
359 contributions made for survivor benefits shall not be refunded except in accordance with the  
360 provisions of Sections 4.04 and 8.02 and subsection (b) of Section 9.03 of this Act.

361 (d) Employee contributions shall be withheld from each of a participant's paychecks in an  
362 amount not exceeding the amount of the employee contributions paid by the board on behalf  
363 of the participant as provided in subsection (a) of this section. Such reduction in the  
364 compensation may be made notwithstanding the fact that the compensation provided by or  
365 pursuant to law for the participant may be reduced. Except as provided in subsection (a) of  
366 this section for employees hired after age 61, a participant shall not have the right to receive  
367 the amount of his or her employee contributions in cash in lieu of having them contributed  
368 to the plan by the board.

369 (e) Employee contributions made on or after July 1, 1990, shall be treated as employer  
370 contributions for purposes of determining the tax treatment of such contributions under the  
371 Code; provided, however, that the board shall continue to withhold federal income taxes on  
372 the basis of such contributions until the Internal Revenue Service or the federal courts rule  
373 that, pursuant to Section 414(h) of the Code, these contributions shall not be included as  
374 gross income of the employee until such time as they are distributed or made available.

375 (f) Employee contributions made by the board on behalf of participants as provided in  
376 subsection (a) of this section shall continue to be taxable income for the purposes of Chapter  
377 7 of Title 48 of the O.C.G.A., relating to Georgia income taxes, notwithstanding the fact that  
378 under subsection (e) of this section such contributions may be treated as employer  
379 contributions in determining federal tax treatment under the Code.



409 In no event shall such benefit exceed 75 percent of the participant's three-year high  
410 average compensation.

411 (2) The normal retirement benefit of a participant who has elected to participate under  
412 the Alternate Plan of 1962 shall be equal to 1.76 percent of the participant's three-year  
413 high average compensation multiplied by the number of years of creditable service;  
414 provided, however, that in no event shall such participant's benefit exceed 75 percent of  
415 the participant's three-year high average compensation.

416 (3) The normal retirement benefit of a participant under the Alternate Plan of 1959 shall  
417 be equal to 50 percent of the greater of the participant's five-year high average  
418 compensation or three-year final average compensation; provided, however, that in no  
419 event shall such monthly benefit exceed \$150.00, plus:

420 (A) Five dollars per month for each full year of a participant's years of creditable  
421 service in excess of 25 years; and

422 (B) An additional \$5.00 per month for each full year of a participant's years of  
423 creditable service in excess of 30 years.

424 (b) The normal retirement benefit of a safety net participant shall be equal to such  
425 participant's benefit calculated under subsection (a) of this section, reduced by the maximum  
426 monthly benefit payable to such participant under the TRS. If a safety net participant begins  
427 receiving benefits from the plan before receiving benefits from the TRS, such participant  
428 shall receive a normal retirement benefit from the plan equal to the benefit calculated under  
429 subsection (a) of this section, but such benefit shall be automatically reduced in accordance  
430 with this subsection when benefits from the TRS begin.

431 (c) An eligible participant may elect to retire under the terms of subsection (a) of this  
432 section, subject to the following:

433 (1) *Alternate Plan of 1962.* A participant who would otherwise retire under the Alternate  
434 Plan of 1962 shall make additional employee contributions equal to the contributions  
435 such participant would have paid since July 1, 1978, together with interest on such  
436 amount at the rate of 6 percent, compounded annually from the year such amounts would  
437 have been first due. The amount of such payment shall be calculated by multiplying the  
438 participant's compensation from the later of July 1, 1967, or the date of employment with  
439 the employer by a factor of 0.006 percent. Payments may be made in installment  
440 payments in accordance with the rules set out in Section 2.03 of this Act, amortized at an  
441 annual rate of 6 percent; or

442 (2) *Alternate Plan of 1959.* A participant who would otherwise retire under the Alternate  
443 Plan of 1959 shall make additional employee contributions equal to the contributions  
444 such participant would have been required to pay under the Alternate Plan of 1962,  
445 calculated as 5 percent multiplied by the total compensation from the date his or her

446 monthly compensation exceeded \$300.00, minus the amount of employee contributions  
447 made by the participant from the date of employment with the employer until the date of  
448 election, together with simple interest on such amount at the rate of 4 percent from April  
449 1, 1962, and the date of election. The employee shall pay this amount, plus the amount  
450 calculated under paragraph (1) of this subsection. Payments of the amount due under this  
451 paragraph may be made in installment payments in accordance with the rules set out in  
452 Section 2.03 of this Act, amortized at an annual rate of 6 percent.

453 **SECTION 4.03.**

454 Minimum retirement benefit.

455 Notwithstanding anything to the contrary contained in Section 4.02 of this Act, a participant  
456 who becomes entitled to a normal retirement benefit or a deferred vested retirement benefit  
457 shall receive a monthly benefit of not less than \$17.00 multiplied by such participant's years  
458 of creditable service, not to exceed 40 years; provided, however, this section shall not apply  
459 to any participant who receives a benefit under the TRS unless the total of his or her TRS  
460 benefit and safety net benefit is less than the minimum benefit described in this section.

461 **SECTION 4.04.**

462 Late retirement.

463 Subject to Section 9.04 of this Act, a participant shall receive credit for his or her years of  
464 creditable service completed after attainment of normal retirement age until actual retirement,  
465 subject to the limit on years of creditable service set out in Section 4.02 of this Act.

466 **SECTION 4.05.**

467 Commencement of benefit.

468 The normal retirement benefit shall be payable monthly, commencing on the later of the date  
469 of the participant's attainment of normal retirement age or termination of employment.

470

## ARTICLE V

471

## EARLY RETIREMENT BENEFITS

472

**SECTION 5.01.**

473

Early retirement benefit.

474 (a) An early retirement benefit shall be paid on a monthly basis in accordance with the terms  
 475 of Article IX of this Act to a participant whose employment with the employer terminates  
 476 on or after attaining his or her early retirement age.

477 (b) Except as set forth in subsections (c), (d), and (e) of this section, a participant's early  
 478 retirement age shall be the earliest of the date such participant attains, while employed by the  
 479 employer: (1) age 60 and 25 years of creditable service; or (2) age 55 and 25 years of  
 480 creditable service.

481 (c) For a participant who retires under the Alternate Plan of 1959, the early retirement age  
 482 shall be the date such participant attains age 55 and 25 years of creditable service while  
 483 employed by the employer.

484 (d) For a participant with at least 25 years of creditable service who is discharged, compelled  
 485 to resign for any reason, or not granted reappointment, the early retirement age shall be the  
 486 date of severance from service.

487 (e) For a participant who is not a teacher, early retirement age in addition to those set forth  
 488 in subsection (b) of this section shall be the date he or she attains 30 years of creditable  
 489 service.

490

**SECTION 5.02.**

491

Amount of benefits.

492 Upon attaining early retirement age, a participant shall be entitled to receive the normal  
 493 retirement benefit calculated and payable as provided in Section 4.02 of this Act. The early  
 494 retirement benefit of a safety net participant shall be reduced as set forth in subsection (b) of  
 495 Section 4.02 of this Act. An early retirement benefit shall be unreduced for early  
 496 commencement except for a participant who retires prior to age 60 or with less than 30 years  
 497 of creditable service, for whom such normal retirement benefit amount shall be reduced by  
 498 1/12 of 2 percent per month for each month by which his or her age is less than 60 or his or  
 499 her years of creditable service are less than 30, whichever is less; provided, however, that this  
 500 reduction shall not apply to:

501 (1) A participant who retires under the Alternate Plan of 1959;

502 (2) A participant who retires under the terms of subsection (d) of Section 5.01 of this  
 503 Act; or

504 (3) A nonteacher participant who retires under the terms of subsection (e) of Section 5.01  
505 of this Act.

506 **ARTICLE VI**  
507 **DISABILITY**  
508 **SECTION 6.01.**  
509 Disability benefit.

510 A participant who becomes disabled while employed by the employer after attaining at least  
511 ten years of creditable service, as calculated under Sections 2.02 and 2.03 of this Act, and  
512 prior to attaining normal retirement age, shall be eligible for a disability benefit, calculated  
513 as of the date of disability in the same manner as set out in Article IV of this Act, without  
514 adjustment for early commencement. A participant who:

- 515 (1) Becomes disabled after separation from the service of the employer;  
516 (2) Is eligible for an early retirement benefit or a deferred vested benefit; and  
517 (3) Who has not commenced receipt of his or her benefit as of the date of disability  
518 shall be eligible for a disability benefit calculated as of the date of his or her separation from  
519 service in accordance with Article V or Article VII of this Act, as applicable, without  
520 adjustment for early commencement.

521 **SECTION 6.02.**  
522 Disability benefit for disability incurred in line of duty.

523 (a) Notwithstanding the terms of Section 6.01 of this Act, a participant who, prior to  
524 satisfying the requirements for an early or normal retirement benefit, becomes disabled in the  
525 line of duty while employed by the employer is eligible to receive a disability benefit in the  
526 amount set out in subsection (c) of this section.

527 (b) A disabled participant shall be considered disabled in the line of duty if such disability  
528 occurs as the direct and proximate cause of:

- 529 (1) An accident suffered in the line of duty resulting immediately in the disability of such  
530 member;  
531 (2) An occupational disease due to specific poisons, mechanical or chemical irritants,  
532 and the like which are recognized as a peculiar hazard of the particular employment in  
533 the service of the board in which such member was engaged and of a character which  
534 other persons not engaged in such employment do not contract; or  
535 (3) A disease or illness resulting immediately and exclusively from emergency exposure  
536 in the line of duty as an employee of the board without the intervention of natural causes.

537 (c) The amount of a participant's disability benefit under this section shall be calculated in  
538 the same manner set out in Section 4.02 of this Act on the basis of:

539 (1) The participant's average compensation at the time of disability;

540 (2) The greater of the participant's actual age at the date of his or her disability or age 55;

541 and

542 (3) The greater of the participant's years of creditable service at the date of disability or  
543 25 years of creditable service.

544 Such benefit shall be reduced by 1/12 of 2 percent for each month by which the participant's  
545 age is less than 60 or the participant's years of creditable service are less than 30, whichever  
546 is less. If a participant has fewer than three years of creditable service, his or her average  
547 compensation, for purposes of calculating the disability benefit, shall be determined by  
548 dividing the total monthly compensation by the total number of months he or she was  
549 employed by the employer.

550 **SECTION 6.03.**

551 Safety net benefit.

552 The disability benefit of a safety net participant shall be reduced in the manner set forth in  
553 subsection (b) of Section 4.02 of this Act.

554 **SECTION 6.04.**

555 Payment of disability benefit.

556 The trustee shall commence payment to the participant of the disability benefit in the form  
557 of a single life annuity payable monthly for the life of the participant; provided, however,  
558 that subject to satisfaction of the requirements for survivor benefits and any employee  
559 contribution as provided in Section 2.07 of this Act, the disability benefit shall be paid as a  
560 joint and 70 percent survivor annuity; provided, further, that a disability benefit payable to  
561 a participant pursuant to subsection (b) of Section 6.01 of this Act, the Alternate Plan of  
562 1959, shall be payable in the form of a joint and 75 percent survivor annuity.

563 **SECTION 6.05.**

564 Determination of disability by pension board.

565 Notwithstanding anything to the contrary contained in this Act, a participant shall not be  
566 considered disabled until he or she is determined to be disabled by the pension board. The  
567 disability benefit shall be granted under such rules, terms, and regulations as may be fixed

568 by the pension board. In determining whether or not a participant shall be granted a  
 569 disability benefit due to accident or illness, the pension board shall consider, among other  
 570 things, whether or not the participant has served the required number of years, whether or not  
 571 the participant has complied with the laws, rules, and regulations governing pensions, and  
 572 whether or not the participant is actually totally and permanently disabled. The pension  
 573 board shall require that the applicant be examined by competent physicians and surgeons.  
 574 In deciding upon the question of permanent and total disability, the pension board may  
 575 receive and consider the reports and recommendations of such examining medical officers,  
 576 and the applicant shall have the right to submit medical and other competent evidence on the  
 577 question of his or her or her disability and right to be retired. The pension board's final  
 578 determination that an applicant is not totally and permanently disabled shall be binding on  
 579 all parties. If the pension board determines that the applicant is totally and permanently  
 580 disabled, he or she shall be retired; provided, however, that the pension board shall have the  
 581 right at least once a year to require the participant to submit to a medical examination for the  
 582 purpose of determining whether or not the participant has sufficiently recovered from his or  
 583 her or her disability and is able to return to his or her or her former position of employment.  
 584 If the pension board, after such examination, determines that the participant is not actually  
 585 totally and permanently disabled but is able to return to the position of employment he or she  
 586 occupied at the time of retirement or a comparable position with the employer, and if such  
 587 employment and status as to position, pay, and service credit at the time of retirement is  
 588 offered to such member and he or she either accepts or fails or refuses to accept such offer,  
 589 then the payment of such disability benefit shall cease.

590 **ARTICLE VII**  
 591 **DEFERRED VESTED BENEFIT**  
 592 **SECTION 7.01.**  
 593 **Deferred vested benefit.**

594 A participant who terminates employment with at least ten years of creditable service but  
 595 prior to attaining eligibility for a disability retirement benefit, an early retirement benefit, or  
 596 a normal retirement benefit shall be fully vested in his or her accrued benefit and shall  
 597 receive a deferred vested benefit. A terminated participant's deferred vested benefit shall  
 598 become payable in accordance with Article IX of this Act upon the participant's attaining  
 599 normal retirement age; provided, however, that a participant with 25 years of creditable  
 600 service may elect to receive the benefit on or after attaining age 55, subject to reduction of  
 601 1/12 of 2 percent for each month that the benefit commencement date precedes the  
 602 participant's 60th birthday.

603 **SECTION 7.02.**

604 Amount of deferred vested benefit.

605 The participant's deferred vested benefit shall be calculated as of the date of termination of  
 606 employment in the same manner as set out in Article IV of this Act. The deferred vested  
 607 benefit of a safety net participant shall be reduced as set forth in subsection (b) of Section  
 608 4.02 of this Act.

609 **SECTION 7.03.**

610 Recovery of mistaken payments.

611 In the event any benefit is mistakenly paid to a participant, joint annuitant, or beneficiary in  
 612 an amount which is greater than the amount payable under the terms of this Act, the plan  
 613 shall recover such excess benefit amount by eliminating or reducing the participant's or  
 614 beneficiary's future benefit payments.

615 **ARTICLE VIII**616 **DEATH BENEFIT**617 **SECTION 8.01.**

618 Payments of survivor benefits.

619 (a) Except as provided in subsections (b) and (c) of this section, if a participant has made the  
 620 required employer contributions for survivor benefits and has a vested interest in all or any  
 621 portion of his or her accrued benefit, survivor benefits shall be payable on his or her behalf  
 622 to his or her surviving spouse, if any, or if none, to his or her minor children, if any. If a  
 623 participant is not married and has no minor children on the date of death, no death benefits  
 624 shall be payable under the plan, except as provided in Section 8.02 of this Act. For a  
 625 participant who would have retired under the Alternate Plan of 1959 but for his or her death,  
 626 survivor benefits shall be payable to the participant's beneficiaries in an amount equal to 70  
 627 percent or 75 percent of the benefit which:

628 (1) For survivor benefits payable prior to the participant's benefit commencement date,  
 629 would have been payable under Section 6.01 of this Act if the participant had become  
 630 disabled on the date of his or her death; and

631 (2) For survivor benefits payable on or after participant's benefit commencement date,  
 632 are payable under subsection (a) of Section 4.02 of this Act, as increased by any cost of  
 633 living adjustments in effect on the date of his or her death;

634 provided, however, that survivor benefits shall be reduced if the participant's surviving  
635 spouse is more than five years younger than participant in accordance with the following  
636 schedule:

637 (3) If the spouse was married to the participant for less than ten years while the  
638 participant was in active service with the board, the spouse's benefit shall be reduced by  
639  $1/12$  of 2 percent per month for each month the spouse was more than five years younger  
640 than the participant;

641 (4) If the spouse was married to the participant for ten years or more but less than 15  
642 years while the participant was in active service with the board, the spouse's benefit shall  
643 be reduced by  $1/12$  of 1 percent per month for each month the spouse was more than five  
644 years younger than the participant;

645 (5) If the spouse was married to the participant for 15 years or more while the participant  
646 was in the active service of the board, or if the spouse is 60 years of age at the time of  
647 becoming eligible for benefits, there shall be no reduction in benefits.

648 Survivor benefits to a participant's spouse shall end upon the spouse's remarriage.

649 (b) If a participant with at least ten years of creditable service dies while in active service  
650 with the employer and such participant has made the required employee contributions for  
651 survivor benefits, then, for a participant who would have retired under the Alternate Act of  
652 1959 but for his or her death, the survivor benefit shall be an amount equal to 70 percent or  
653 75 percent of the benefit that would have been payable under Section 6.01 of this Act if the  
654 participant had become disabled on the date of his or her death. Effective with respect to a  
655 participant death on or after January 1, 2007, a participant on a leave of absence under  
656 USERRA who otherwise meets the requirements of this section and who dies while on a  
657 leave of absence under USERRA performing qualified military service shall be treated for  
658 purposes of this benefit as though he or she died while in active service with the employer.

659 (c) If a participant is killed as the result of an accident in the line of duty, such participant's  
660 surviving spouse or minor children shall be eligible to receive a survivor benefit. If a  
661 participant with at least ten years of creditable service dies while in active service with the  
662 employer and such participant has made the required employee contributions for survivor  
663 benefits, then, for a participant who would have retired under the Alternate Act of 1959 but  
664 for his or her death, the survivor benefit shall be an amount equal to 70 percent or 75 percent  
665 of the benefit that would have been payable under Section 6.02 of this Act if the participant  
666 had become disabled in the line of duty on the date of his or her death, provided that:

667 (1) Such benefit shall be calculated as though the participant has attained age 55 and 25  
668 years of creditable service as of the date of death;

669 (2) Such benefit shall be payable without regard to whether participant has a vested  
670 interest in any portion of his or her accrued benefit; and

671 (3) Such benefit shall be payable without regard to whether the participant has made  
672 required employer contributions for survivor benefits.

673 (d) No death benefit shall be payable under this section to any person who is not living on  
674 the date the payment is scheduled to commence under Section 8.02 of this Act.

675 **SECTION 8.02.**

676 Optional distribution of employee contributions.

677 A beneficiary who is eligible to receive a benefit under Section 8.01 of this Act may elect in  
678 lieu of such benefit to receive a refund of the participant's employee contributions. Such  
679 payment shall be made in accordance with the terms of Section 9.03 of this Act. If there is  
680 no living beneficiary on the date of the participant's death, such distribution shall be made  
681 to the participant's estate.

682 **SECTION 8.03.**

683 Commencement of survivor benefits.

684 (a) Payment of survivor benefits shall commence on the date following the participant's  
685 death.

686 (b) Notwithstanding any plan provision to the contrary, all distributions shall be made in  
687 accordance with the pension board's good faith interpretation of O.C.G.A. Section 47-1-80,  
688 Section 401(a)(9) of the Code, the regulations promulgated under Section 401(a)(9) of the  
689 Code, including Treasury Regulation Section 1.401(a)(9)-2 and any other provisions  
690 reflecting the requirements of Section 401(a)(9) of the Code, and prescribed by the Internal  
691 Revenue Service, as amended from time to time, as applicable to a governmental plan within  
692 the meaning of Section 414(d) of the Code, all of which are incorporated by reference; and  
693 the terms of this Act reflecting the requirements of Section 401(a)(9) of the Code override  
694 the distribution options, if any, in the plan which are inconsistent with those requirements.

695 **ARTICLE IX**

696 **PAYMENT OF ACCRUED BENEFIT**

697 **SECTION 9.01.**

698 Normal form of benefit.

699 A participant's accrued benefit shall be paid in the form of a single life annuity for the life  
700 of the participant, or in the form of a joint and 70 percent or 75 percent survivor annuity, as  
701 applicable, if such participant has paid all required employer contributions for survivor

702 benefits. Such survivor benefits generally shall be paid in the form of a joint and 70 percent  
703 survivor annuity; provided, however, that for a participant who retires under the Alternate  
704 Plan of 1959, such benefits shall be paid in the form of a joint and 75 percent survivor  
705 annuity. Annuity payments shall commence as of the benefit commencement date and  
706 continue until the last scheduled payment coincident with or immediately preceding the date  
707 of the participant's death or, if applicable, the date of his or her beneficiary's death or  
708 ineligibility as a beneficiary.

709 **SECTION 9.02.**

710 Commencement of benefits.

711 Payment of a participant's normal retirement benefit shall commence no later than the first  
712 day of April in the calendar year following the calendar year in which the participant attains  
713 age 70 1/2 or the calendar year in which the participant retires, whichever is later. Payment  
714 to the participant of his or her early retirement benefit or of his or her deferred vested benefit  
715 shall commence no later than 60 days after the close of the plan year in which the participant  
716 attains normal retirement age unless the participant elects an earlier distribution. All  
717 distributions shall be made in accordance with the pension board's good faith interpretation  
718 of Section 401(a)(9) of the Code, the regulations promulgated under Section 401(a)(9) of the  
719 Code, and any other provisions reflecting the requirements of Section 401(a)(9) of the Code  
720 and prescribed by the Internal Revenue Service; and the terms of this Act reflecting the  
721 requirements of Section 401(a)(9) of the Code override the distribution options, if any, in the  
722 plan which are inconsistent with those requirements. All benefit payments shall begin within  
723 60 days of the date elected by the participant, if such date is earlier than any of the  
724 aforementioned dates in this section.

725 **SECTION 9.03.**

726 Distribution of employee contributions.

727 (a) Any participant or beneficiary who is eligible to receive a benefit under Sections 4.01,  
728 5.01, 6.01, 7.01, or 8.01 of this Act may elect in lieu of such benefit to receive a refund of  
729 his or her employee contributions.

730 (b) Notwithstanding any other provision of this Act, at such time as all benefits payable to  
731 a participant and his or her or her beneficiaries under other provisions of this Act have been  
732 paid, if such benefits have not equaled the amount of the employee's contributions under this  
733 plan, then the difference between the benefits paid and the total employee's contributions  
734 under this plan shall be paid to the participant's estate.

735 (c) Such payment shall be made in the form of a lump sum payment or, at the participant's  
736 election, in the form of a direct rollover. For purposes of this section, the term:

737 (1) 'Direct rollover' means a payment of an eligible rollover distribution by the plan to  
738 the eligible retirement plan specified by the distributee, who shall be the participant or  
739 his or her beneficiary.

740 (2) 'Eligible rollover distribution' means any distribution of all or any portion of the  
741 balance to the credit of the distributee, except that an eligible rollover distribution shall  
742 not include any distribution that is one of a series of substantially equal periodic  
743 payments, not less frequently than annually, made for the life or life expectancy of the  
744 distributee or the joint lives or joint life expectancies of the distributee and the  
745 distributee's designated beneficiary, or for a specified period of ten years or more; any  
746 distribution to the extent such distribution is required under Section 401(a)(9) of the  
747 Code; and the portion of any distribution that is not includible in gross income,  
748 determined without regard to the exclusion for net unrealized appreciation with respect  
749 to employer securities.

750 (3) 'Eligible retirement plan,' when referring to a distributee other than a nonspouse  
751 beneficiary, means an individual retirement account described in Section 408(a) of the  
752 Code, an individual retirement annuity described in Section 408(b) of the Code, an  
753 annuity plan described in Section 403(a) of the Code, an annuity contract described in  
754 Section 403(b) of the Code, an eligible plan under Section 457(b) of the Code which is  
755 maintained by a state, political subdivision of a state, or any instrumentality thereof  
756 which agrees to account separately for any direct rollover from this plan, or a qualified  
757 trust described in Section 401(a) of the Code that accepts the distributee's eligible rollover  
758 distribution. However, in the case of an eligible rollover distribution to a beneficiary  
759 other than a participant's surviving spouse, an eligible retirement plan is an individual  
760 retirement account or individual retirement annuity, and the terms of Section 401(a)(9)(B)  
761 of the Code, other than subdivision (iv), shall apply to such plan.

762 (4) 'Distributee' includes an employee or former employee. In addition, the employee's  
763 or former employee's surviving spouse and the employee's or former employee's spouse  
764 or former spouse who is the alternate payee under a qualified domestic relations order,  
765 as defined in Section 414(p) of the Code, are distributees with regard to the interest of the  
766 spouse or former spouse. Effective for distributions on and after January 1, 2008, a  
767 distributee shall also include a beneficiary who is not the participant's spouse.

768 **SECTION 9.04.**

769 Reemployment after benefit commencement date.

770 If a participant who is receiving benefit payments under the plan returns to employment with  
771 the employer, his or her benefit shall be suspended during the period of reemployment;  
772 provided, however, that:

773 (1) The benefit shall not be suspended if such employee is reemployed as a temporary,  
774 casual, part-time, or contract employee; and

775 (2) Such employee, if he or she is rehired as an eligible employee, may make a one-time  
776 irrevocable election with the pension board whether to make employee contributions and  
777 participate in the plan during the period of reemployment.

778 **SECTION 9.05.**

779 Cost-of-living adjustments.

780 The benefit payable to an eligible participant or his or her beneficiaries shall be increased  
781 annually, on a date to be determined by the pension board, in an amount equal to 3 percent  
782 of the benefit then payable to such participant or beneficiary; provided:

783 (1) A participant and the beneficiary of such participant shall be eligible for such  
784 cost-of-living adjustment as of the second adjustment date following the benefit  
785 commencement date;

786 (2) A beneficiary who becomes entitled to a benefit by reason of a participant's death  
787 prior to retirement shall be eligible for such cost-of-living adjustment as of the second  
788 adjustment date following the benefit commencement date, provided that such participant  
789 was eligible for retirement at the time of his or her death or actively employed by the  
790 employer at the time of death; and

791 (3) A participant who becomes eligible to receive a deferred vested benefit but is not  
792 eligible to retire, and a beneficiary of such participant, shall not be eligible for  
793 cost-of-living adjustments.

794 **SECTION 9.06.**

795 Required minimum distributions.

796 Notwithstanding any plan provision to the contrary, all distributions shall be made in  
797 accordance with the pension board's good faith interpretation of O.C.G.A. Section 47-1-80,  
798 Section 401(a)(9) of the Code, the regulations promulgated under Section 401(a)(9) of the  
799 Code, including Treasury Regulation Section 1.401(a)(9)-2, and any other provisions

800 reflecting the requirements of Section 401(a)(9) of the Code and prescribed by the Internal  
801 Revenue Service, as amended from time to time, as applicable to a governmental plan within  
802 the meaning of Section 414(d) of the Code, all of which are incorporated by reference; and  
803 the terms of this Act reflecting the requirements of Section 401(a)(9) of the Code override  
804 the distribution options, if any, in the plan which are inconsistent with those requirements.

805 **ARTICLE X**

806 **MISCELLANEOUS PROVISIONS AFFECTING**

807 **THE PAYMENT OF BENEFITS**

808 **SECTION 10.01.**

809 **General.**

810 The trustee shall make payment of any benefit payments directly to the participant entitled  
811 to the payment.

812 **SECTION 10.02.**

813 **Nonduplication of benefits.**

814 In the event the trustee distributes any part or all of a participant's accrued benefit to him or  
815 her and the participant later resumes active employment with the employer before or after  
816 retirement, the trustee shall compute the participant's accrued benefit by taking into account  
817 all of the participant's years of creditable service; however, the trustee shall offset the  
818 participant's accrued benefit so computed by the participant's accrued benefit attributable to  
819 any prior distribution.

820 **SECTION 10.03.**

821 **Merger.**

822 The trustee, in its sole discretion, may consent to, or be a party to, any merger or  
823 consolidation with another plan, or to a transfer of assets or liabilities to another plan, only  
824 if immediately after the merger, consolidation, or transfer, the surviving plan provides each  
825 participant a benefit equal to or greater than the benefit each participant would have received  
826 had the plan terminated immediately before the merger or consolidation or transfer. The  
827 trustee possesses the specific authority to enter into a merger agreement or a direct transfer  
828 of assets agreement with the trustees of other retirement plans described in Section 401(a)  
829 of the Code and to accept the direct transfer of plan assets, or to transfer plan assets, as a  
830 party to any such agreement.

831 **SECTION 10.04.**  
832 The Uniformed Services Employment And  
833 Reemployment Rights Act of 1994 (USERRA).

834 Notwithstanding any provision of this Act to the contrary, contributions, benefits, and service  
835 credit for qualified military service shall be provided in accordance with Section 414(u) of  
836 the Code.

837 **SECTION 10.05.**  
838 Forfeiture of benefits.

839 Notwithstanding any other provision of this Act to the contrary, all benefits under the plan  
840 shall be forfeited in the manner and to the extent provided under O.C.G.A. Sections 47-1-20  
841 through 47-1-25 if convicted of a public employment, drug related, or other covered crime.

842 **SECTION 10.06.**  
843 Payments to legally incompetent distributee.

844 Whenever any benefit is to be paid to or for the benefit of any person who is a minor or  
845 determined to be incompetent by qualified medical advice, the pension board need not  
846 require the appointment of a guardian or custodian, but may cause the benefit to be paid to  
847 the person having custody of the minor or incompetent, to the minor or incompetent without  
848 the intervention of a guardian or custodian, or to the legal guardian or custodian if one has  
849 been appointed or may cause the benefit to be used for the benefit of the minor or  
850 incompetent.

851 **SECTION 10.07.**  
852 Workers' compensation.

853 This plan shall not affect nor be affected by the provisions of Chapter 9 of Title 34 of the  
854 O.C.G.A., relating to workers' compensation, or by similar laws.



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ARTICLE XII  
ADMINISTRATION  
**SECTION 12.01.**

Pension board: appointment and term of office.

- 885 (a) The pension board shall consist of seven members to be qualified and chosen as follows:
- 886 (1) Two members of the board of education are to be chosen by the board of education  
887 and to be known as Positions 1 and 2;
- 888 (2) One member who shall be an active teacher or employee of the board of education  
889 and a participant in the plan, to be known as Position 3. Such member shall be elected  
890 by active teachers and employees of the board of education who are participants in the  
891 plan;
- 892 (3) One member who shall be an active employee of the board of education who is a  
893 participant in the plan and who is not a member of the TRS, to be known as Position 4.  
894 Such member shall be elected by active employees of the board of education who are  
895 participants in the plan and who are not members of the TRS;
- 896 (4) One member selected by the other six members of the pension board, but in the case  
897 of a tie vote by the other members of the pension board, the members of the Fulton  
898 County legislative delegation who are qualified shall appoint such member, to be known  
899 as Position 5. Such member, regardless of the manner in which he or she is selected,  
900 shall not be a current member of this Act or a current or former teacher or employee of  
901 the board of education, or a member of the General Assembly, but shall be a citizen of  
902 Fulton County with substantial prior experience in financial and investment matters; and
- 903 (5) Two members who shall be former teachers or employees of the board of education  
904 who shall be pensioners to be chosen by pensioners and to be known as Positions 6 and 7.
- 905 (b)(1) Except as provided in this subsection, the members of the pension board shall hold  
906 office for terms of four years and until their successors are duly elected and qualified.
- 907 (2) Subject to the provisions of subsection (a) of this section, in the event of the death,  
908 resignation, or other disability of a pension board member which renders him or her  
909 incapable of performing the duties of a member of the pension board during his or her or  
910 her term of office, said pension board member's replacement shall be selected in the  
911 manner specified in subsection (a) of this section for such position and shall serve the  
912 remaining balance of such term of office.
- 913 (c) The pension board shall elect its own chairperson and secretary and shall hold a regular  
914 public meeting at least once a month at a time and place to fixed by the pension board. The  
915 members of the pension board shall serve without pay. The pension board may employ an  
916 executive director and other personnel who shall serve at the will of the pension board at

917 salaries to be designated by the pension board. With the consent of the board of education,  
918 such executive director shall be treated as an employee of the Fulton County Board of  
919 Education for benefits and tax reporting purposes.

920 (d) The pension board shall have the authority to adopt rules and regulations in the  
921 administration of this Act and in carrying out the provisions of this Act and to provide for  
922 the equitable disposition of any matter not specifically covered by the provisions of this Act;  
923 provided, however, that all such rules shall be consistent with the terms and spirit of this Act.

924 (e) The administrator of finance for the board of education shall be designated as the  
925 treasurer and custodian of this Act and shall be subject to the direction of the pension board  
926 for the purpose of carrying out his or her or her duties under the plan. Whenever any pension  
927 has been granted by the pension board, a check shall be drawn on the pension fund, providing  
928 for the payment of the pension as the same matures, and shall be signed by the chairperson  
929 of the pension board and countersigned and paid by the treasurer.

930 (f) Four members of the pension board shall constitute a quorum, and notice by the secretary  
931 shall be given for special or called meetings of the pension board. The chairperson of the  
932 pension board shall give a bond with a good corporate surety in the sum of not less than  
933 \$5,000.00 for his or her or her faithful performance as chairperson of the pension board, and  
934 the treasurer shall give a bond with a good corporate surety in the sum of not less than  
935 \$25,000.00 for the faithful performance as treasurer and custodian of the pension fund. The  
936 premiums on such bonds shall be an expense of this Act.

937 (g) Except as otherwise provided in the plan, no member or employee of the pension board  
938 shall have any personal interest in the gains or profits from any investment made by the  
939 pension board or use the assets of this Act in any manner, directly or indirectly, for himself  
940 or herself or as an agent, except to make such payments as are authorized by the pension  
941 board in accordance with the plan.

## 942 **SECTION 12.02.**

### 943 Appointment of agents.

944 In addition to those powers set forth elsewhere in the plan or this Act, the pension board may  
945 appoint such agents, who need not be members of such pension board, as it may deem  
946 necessary for the effective performance of its duties and may delegate to such agents such  
947 powers and duties, whether ministerial or discretionary, as the pension board may deem  
948 expedient or appropriate. The pension board shall act by majority vote.

949

**SECTION 12.03.**

950

## Powers and responsibility.

951 The pension board shall have complete control of the administration of the plan, with all  
952 powers necessary to enable it properly to carry out its duties as set forth in this Act. The  
953 pension board shall have the following duties and responsibilities:

954

(1) To serve as trustee of the trust fund;

955

(2) To construe the plan and to determine all questions that shall arise out of the plan;

956

(3) To select and/or remove all service providers to the plan, including the actuary,  
957 broker and investment advisor, custodians, and other advisors;

958

(4) To decide all questions relating to the eligibility of employees to participate in the  
959 plan;

960

(5) To determine the benefits of this Act to which any participant or beneficiary may be  
961 entitled;

962

(6) To maintain and retain records relating to the participants and beneficiaries;

963

(7) To prepare and furnish to the participants all information required under applicable  
964 state or federal law or provisions of this Act to be furnished to them, which may be  
965 provided electronically where appropriate; provided, however, any such information  
966 required to be provided in written form under the terms of the Code may be provided by  
967 electronic means in a manner consistent with the requirements of Treasury Regulations  
968 Section 1.401(a)(21), as amended;

969

(8) To prepare and furnish to agents and service providers to the plan sufficient  
970 employee data so that such service providers may carry out their obligations to the plan  
971 and its participants and beneficiaries;

972

(9) To prepare and file or publish with all other appropriate government officials all  
973 reports and other information required under law to be so filed or published;

974

(10) To provide directions to the trustee or custodian for the methods of benefit payment  
975 and all other matters where called for in the plan or requested by the trustee or custodian;

976

(11) To engage assistants and professional advisers;

977

(12) To arrange for fiduciary bonding, if necessary;

978

(13) To provide procedures for determination of claims for benefits; and

979

(14) To delegate any or all of these responsibilities.

980

**SECTION 12.04.**

981

Records of pension board.

982 (a) Any notice, direction, order, request, certification, or instruction of the pension board to  
983 the trustee or custodian shall be in writing and shall be signed by a member of the pension  
984 board. The trustee or custodian and every other person shall be entitled to rely conclusively  
985 upon any and all such notices, directions, orders, requests, certifications, and instructions  
986 received from the pension board and reasonably believed to be properly executed and shall  
987 act in accordance therewith.

988 (b) All acts and determinations of the pension board shall be duly recorded by its secretary  
989 or under the secretary's supervision, and all such records, together with such other documents  
990 as may be necessary for the administration of this Act, shall be preserved in the custody of  
991 the secretary.

992

**SECTION 12.05.**

993

Reporting and disclosure.

994 The pension board shall keep all individual and group records relating to the participants and  
995 beneficiaries and all other records necessary for the proper operation of this Act. The  
996 pension board shall prepare and shall file as required by law or regulation all reports, forms,  
997 documents and other items required by the Code and every other relevant statute, each as  
998 amended, and all regulations thereunder. This provision shall not be construed as imposing  
999 upon the pension board the responsibility or authority for the preparation, preservation,  
1000 publication, or filing of any document required to be prepared, preserved, or filed by the  
1001 trustee or custodian to whom such responsibilities are delegated by law or by the plan.

1002

**SECTION 12.06.**

1003

Construction of this Act.

1004 The pension board shall take such steps as are considered necessary and appropriate to  
1005 remedy any inequity that results from incorrect information received or communicated in  
1006 good faith or as the consequence of an administrative error. The pension board shall interpret  
1007 the plan and shall determine the questions arising in the administration, interpretation, and  
1008 application of the plan. The pension board shall endeavor to act, whether by general rules  
1009 or by particular decisions, so as not to discriminate in favor of or against any person and so  
1010 as to treat all persons in similar circumstances uniformly. The pension board shall correct  
1011 any defect of, reconcile any inconsistency in, or supply any omission from the plan.

**SECTION 12.07.**

1012

1013

Assistants and advisers.

1014 (a) The pension board shall have the right to delegate any of its responsibility and to hire  
1015 such professional assistants and consultants as it, in its sole discretion, deems necessary or  
1016 advisable. To the extent that the costs for such assistants and advisers are not paid by the  
1017 board of education, they shall be paid at the direction of the pension board from the trust fund  
1018 as an expense of the trust fund.

1019 (b) The pension board shall be entitled to rely upon all certificates and reports made by an  
1020 accountant, attorney, or other professional adviser selected pursuant to this section; the  
1021 pension board shall be fully protected in respect to any action taken or suffered by them in  
1022 good faith in reliance upon the advice or opinion of any such accountant, attorney, or other  
1023 professional adviser; and any action so taken or suffered shall be conclusive upon each of  
1024 them and upon all other persons interested in the plan.

**ARTICLE XIII**

1025

**PARTICIPANT ADMINISTRATIVE PROVISIONS**

1026

**SECTION 13.01.**

1027

Personal data to committee.

1028

1029 Each participant and each beneficiary of a deceased participant shall furnish to the pension  
1030 board such evidence, data, or information as the pension board considers necessary or  
1031 desirable for the purpose of administering the plan. The provisions of this plan are effective  
1032 for the benefit of each participant upon the condition precedent that each participant will  
1033 furnish promptly full, true, and complete evidence, data, and information when requested by  
1034 the pension board, provided the pension board shall advise each participant of the effect of  
1035 his or her failure to comply with its request.

**SECTION 13.02.**

1036

Address for notification.

1037

1038 Each participant and each beneficiary of a deceased participant shall file with the pension  
1039 board from time to time, in writing, his or her post office address and any change of post  
1040 office address. Any communication, statement, or notice addressed to a participant, or  
1041 beneficiary, at his or her last post office address filed with the pension board, or shown on  
1042 the records of the employer, shall bind the participant, or beneficiary, for all purposes of this  
1043 plan.

## ARTICLE XIV

CONTRIBUTIONS, INVESTMENTS,  
AND ADMINISTRATION OF FUNDS**SECTION 14.01.**

## Investment of trust fund.

1049 (a) The pension board shall be the trustee of the plan and shall have full power to receive all  
1050 employer and employee contributions required to be made under the plan or other provisions  
1051 of law; to receive gifts or donations of money or property, real or personal; to receive and  
1052 disburse pension or retirement funds from any state or local teachers' retirement agency; and  
1053 to invest and reinvest its assets, in accordance with the investment policy statement  
1054 established by the pension board in accordance with the terms of Article 7 of Chapter 20 of  
1055 Title 47 of the O.C.G.A., the Public Retirement Systems Investment Authority Law. The  
1056 pension board shall invest and reinvest said funds and use all of said funds and the income  
1057 therefrom for the purposes authorized by this Act. Subject to these restrictions, the pension  
1058 board shall have the power to hold, transfer, and dispose of any investments in which trust  
1059 fund assets are invested, including proceeds of investments. The pension board is authorized  
1060 to employ agents, including banks and trust companies, to act as investment advisors and  
1061 make investments if the pension board so authorizes. For the purpose of meeting  
1062 disbursements for pensions and other payments, the pension board may keep available cash  
1063 on deposit in one or more banks or trust companies organized under the laws of this state or  
1064 of the United States, provided that the sum on deposit in any one bank or trust company shall  
1065 not exceed 25 percent of the paid-up capital and surplus of each bank or trust company. Each  
1066 bank or trust company shall give a depository bond in an amount sufficient to cover the  
1067 deposits or shall place in trust a sufficient amount of federal or state securities to cover the  
1068 deposits. The terms of the plan shall govern the establishment of the trust fund from which  
1069 the benefits provided by the plan shall be paid. All contributions paid over to the trustee or  
1070 its investment advisor shall be invested in accordance with the terms of the investment policy  
1071 statement established by the pension board.

1072 (b) Use of Group annuity contracts. In the discretion of the trustee, the plan may use one  
1073 or more group annuity contracts as a funding vehicle in lieu of or in addition to the trust fund.  
1074 In the event of any conflict between terms of the plan and those of any such group annuity  
1075 contract, the terms of the plan shall control.

1076 **SECTION 14.02.**

1077 Contributions.

1078 All employer and employee contributions shall be paid into the trust fund.

1079 **SECTION 14.03.**

1080 Contingent nature of employer contributions.

1081 Contributions made by the employer are hereby made expressly contingent on the  
1082 maintenance of a qualified status by the plan for the year in which such contribution is made.

1083 **SECTION 14.04.**

1084 Form of employer contribution.

1085 The employer may pay its contributions to the trust fund manager in cash or cash equivalent  
1086 or marketable securities if acceptable to the trustee.

1087 **SECTION 14.05.**

1088 Exclusive benefit.

1089 Except as otherwise provided in this Act, the employer shall have no beneficial interest in  
1090 any asset of the trust fund and no part of any asset in the trust fund shall ever revert to or be  
1091 repaid to the employer, either directly or indirectly, nor, prior to the satisfaction of all  
1092 liabilities with respect to the participants and their beneficiaries under the plan, shall any part  
1093 of the corpus or income of the trust fund be used at any time for or diverted to purposes other  
1094 than the exclusive benefit of the participants or their beneficiaries.

1095 **SECTION 14.06.**

1096 Condition for refund of contributions.

1097 (a) Notwithstanding Section 14.05 of this Act, if and to the extent permitted by the Code and  
1098 other applicable laws and regulations thereunder, upon the employer's written request, a  
1099 contribution which is made by a mistake in fact or is conditional on initial qualification of  
1100 the plan with the plan receiving an adverse determination shall be returned to the employer  
1101 making the contribution within one year after the mistaken payment of the contribution or  
1102 denial of qualification, whichever is applicable.

1103 (b) If through inadvertence or mistake, any participant has paid to the board, either by salary  
1104 deduction or direct payment, any sum which is in excess of the employee contributions  
1105 which should have been paid by the participant, then the board, upon request of the  
1106 participant or upon the board's own motion, shall refund such overpayment to the participant,  
1107 or, if such participant is deceased, to his or her or her beneficiary or estate.

1108 **ARTICLE XV**

1109 **MISCELLANEOUS**

1110 **SECTION 15.01.**

1111 Evidence.

1112 Anyone required to give evidence under the terms of this Act may do so by certificate,  
1113 affidavit, document, or other information which may be considered pertinent, reliable, and  
1114 genuine and to have been signed, made, or presented by the proper party or parties. The  
1115 board shall be fully protected in acting and relying upon any evidence described under this  
1116 section.

1117 **SECTION 15.02.**

1118 Waiver of notice.

1119 Any person entitled to notice under the plan may waive the notice.

1120 **SECTION 15.03.**

1121 Successors.

1122 The plan shall be binding upon all persons entitled to benefits under the plan and their  
1123 respective heirs and legal representatives, upon the employer and its successors and assigns,  
1124 and upon the pension board and its successors.

1125 **SECTION 15.04.**

1126 Word usage.

1127 Words used in the masculine shall apply to the feminine where applicable, and wherever the  
1128 context of this Act dictates, the plural shall be read as the singular and the singular as the  
1129 plural.

1130 **SECTION 15.05.**

1131 State law.

1132 The laws of the State of Georgia shall determine all questions arising under the provisions  
1133 of this Act except to the extent federal statute supersedes that state law.

1134 **SECTION 15.06.**

1135 Employment not guaranteed.

1136 Nothing contained in this plan or any modification or amendment to the plan, in the creation  
1137 of any account, or in the payment of any benefit shall give any employee, participant, or  
1138 beneficiary any right to continue employment or any legal or equitable right against the  
1139 employer or employee of the employer, the trustee or its agents or employees, or the pension  
1140 board, except as expressly provided by the plan or by a separate agreement."

1141 **SECTION 2.**

1142 This Act shall become effective on July 1, 2009.

1143 **SECTION 3.**

1144 All laws and parts of laws in conflict with of this Act are repealed.