

The Senate Retirement Committee offered the following substitute to HB 476:

A BILL TO BE ENTITLED  
AN ACT

1 To provide for the reform of certain features of certain public retirement systems; to amend  
2 Chapter 2 of Title 47 of the Official Code of Georgia Annotated, relating to the Employees'  
3 Retirement System of Georgia, so as to provide that an employing unit shall pay to the  
4 retirement system the actuarial cost of granting an employee a salary increase in excess of  
5 5 percent during the 12 months prior to such employee's retirement; to provide that the  
6 computation of a retirement benefit for persons who become members on or after July 1,  
7 2009, shall not include a compensation increase in the last 12 months of employment which  
8 exceeds 5 percent; to clarify provisions relative to a death benefit for certain members of  
9 such retirement system; to provide for the authority to increase liability contribution rates for  
10 certain members; to amend Code Section 47-17-80 of the Official Code of Georgia  
11 Annotated, relating to retirement benefits options under the Peace Officers' Annuity and  
12 Benefit Fund, payment to surviving spouse, requirements, effect of reemployment, effect of  
13 changes in retirement benefits, and payment on the death of a member, so as to provide that  
14 certain provisions relating to continued employment or reemployment shall not apply to  
15 certain members; to provide for related matters; to repeal conflicting laws; and for other  
16 purposes.

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

18 Chapter 2 of Title 47 of the Official Code of Georgia Annotated, relating to the Employees'  
19 Retirement System of Georgia, is amended in Code Section 47-2-120, relating to retirement  
20 allowances, by adding a new subsection to read as follows:

21 "(f) The board of trustees shall cause the actuary for the retirement system to calculate the  
22 actuarial cost to the retirement system of any salary increase granted to a member in excess  
23 of 5 percent over the 12 months immediately prior to such member's retirement date and  
24 shall notify the employing unit of such amount. Such notice shall be sent not later than 60  
25 days before the member's retirement date.

26 days following such member's retirement date. The employing unit shall pay such amount,  
 27 together with the cost of such actuarial calculation, as a supplemental employer  
 28 contribution to the board of trustees not later than the last day of the month following  
 29 receipt of such notice."

30 **SECTION 2.**

31 Said chapter is further amended in subsection (c) of Code Section 47-2-123, relating to  
 32 allowance payable upon death, disability, or involuntary separation from employment,  
 33 restrictions on separation for disability, and restrictions on entitlement to involuntary  
 34 separation benefits, by adding a new paragraph to read as follows:

35 "(3) In lieu of a death benefit as provided in paragraph (1) of this subsection, a member  
 36 who first or again becomes a member of the retirement system on or after July 1, 2007,  
 37 and who has at least 10 years of creditable service and is at least 60 years of age or who  
 38 is less than 60 years of age and has at least 15 years of creditable service shall upon death  
 39 receive the equivalent of a service retirement allowance calculated upon the number of  
 40 years of creditable service attained on the date of death and based upon his or her highest  
 41 average monthly compensation during a period of 24 consecutive calendar months while  
 42 a member of the retirement system."

43 **SECTION 3.**

44 Said chapter is further amended by revising Code Section 47-2-222, relating to power to  
 45 increase liability contribution rates for Department of Public Safety, Department of Natural  
 46 Resources, and Department of Revenue and transfer of employees, as follows:

47 "47-2-222.

48 Any other provisions of law to the contrary notwithstanding, the board of trustees may  
 49 increase the normal and accrued liability employer contribution rates of the Department of  
 50 Public Safety, the Department of Natural Resources, ~~and~~ the Department of Revenue, the  
 51 Georgia Bureau of Investigation, the Department of Corrections, the State Board of  
 52 Pardons and Paroles, and any other agency or authority to an amount set by the board of  
 53 trustees as actuarially sufficient to fund the employer's cost of the benefits provided in this  
 54 chapter for groups of employees of such departments. In the event any group of employees  
 55 of any of such departments is transferred to the administration of any other department or  
 56 agency, that department or agency shall continue to pay the normal and accrued liability  
 57 contributions on behalf of such employees at the rate set by the board of trustees."

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#### SECTION 4.

Said chapter is further amended in Code Section 47-2-334, relating to service retirement allowance, calculation, employee membership contributions, employer contributions, optional membership, conditions, and construction of provision, by adding a new subsection to read as follows:

"(j) The board of trustees shall cause the actuary for the retirement system to calculate the actuarial cost to the retirement system of any salary increase granted to a member in excess of 5 percent over the 12 months immediately prior to such member's retirement date and shall notify the employing unit of such amount. Such notice shall be sent not later than 60 days following such member's retirement date. The employing unit shall pay such amount, together with the cost of such actuarial calculation, as a supplemental employer contribution to the board of trustees not later than the last day of the month following receipt of such notice."

#### SECTION 5.

Said chapter is further amended by revising paragraph (2) of Code Section 47-2-353, relating to the calculation of a service retirement allowance for members subject to the provisions of the "Georgia State Employees' Pension and Savings Plan," as follows:

"(2) A monthly pension which, together with the annuity, shall provide a total retirement allowance equal to ~~1.0~~ 1 percent, or such future amount up to 2 percent to be set by the board of trustees in direct relation to any increased appropriations provided by the General Assembly expressly for such increase, of the member's highest average monthly earnable compensation during a period of 24 consecutive calendar months while a member of the retirement system, multiplied by the number of the member's years of creditable service; provided, however, that for members employed on or after July 1, 2009, no salary increase by adjustment in compensation in any manner during the last 12 months, which increase is in excess of 5 percent, shall be included in such computation."

#### SECTION 6.

Said chapter is further amended by revising subsection (a) of Code Section 47-2-356, relating to death allowances and benefits, as follows:

"(a) ~~Any~~ For purposes of calculating a survivor's benefit, any member who has at least 15 years of creditable service and who dies in service before becoming eligible for a service retirement shall be deemed to be eligible to retire forthwith without regard to age and to receive the equivalent of a service retirement allowance calculated upon the number of years of creditable service attained to the date of retirement and based upon his or her highest average monthly compensation during a period of 24 consecutive calendar months

93 while a member of the retirement system. Any member who dies in service after becoming  
94 eligible for a service retirement shall be deemed to be eligible to retire forthwith to receive  
95 a service retirement allowance."

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#### SECTION 7.

97 Code Section 47-17-80 of the Official Code of Georgia Annotated, relating to retirement  
98 benefits options under the Peace Officers' Annuity and Benefit Fund, payment to surviving  
99 spouse, requirements, effect of reemployment, effect of changes in retirement benefits, and  
100 payment on the death of a member, is amended by revising subsection (g) as follows:

101 "(g)(1) Except as provided in paragraphs (2) and (3) of this subsection, any member who  
102 again becomes employed as a peace officer after having been placed on retirement under  
103 this Code section shall immediately notify the secretary-treasurer of such reemployment.  
104 Retirement benefits being paid to such member shall be terminated as of the date of such  
105 reemployment and shall remain terminated for the duration of such reemployment.  
106 During such period of reemployment, said member shall pay regular monthly dues into  
107 this fund. Upon meeting the requirements provided by law, such member shall be  
108 entitled to all benefits provided for in Code Sections 47-17-81 and 47-17-82; but such  
109 member shall not be entitled to any increase in retirement benefits by virtue of service  
110 during the period of reemployment unless such reemployment is for a term of three years  
111 or more, in which instance such member may again apply for retirement as if he or she  
112 had not previously been retired; and he or she shall be entitled to such benefits as may be  
113 provided by law at that time, if he or she so chooses.

114 (2) The provisions of paragraph (1) of this subsection shall not apply to a retired member  
115 employed in any capacity for 1,040 hours or less in any calendar year.

116 (3) The provisions of paragraph (1) of this subsection shall not apply to a member  
117 otherwise qualified for a normal service retirement under this chapter with at least 30  
118 years of creditable service and who has attained the age of 55. Any such member may  
119 continue or reenter employment as a peace officer and shall for all purposes be  
120 considered a retired member of this fund; provided, however, that the provisions of this  
121 paragraph shall not apply to any person who first or again becomes a member on or after  
122 July 1, 2009."

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#### SECTION 8.

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