

Senate Bill 122

By: Senators Goggans of the 7th and Hill of the 4th

**AS PASSED**

A BILL TO BE ENTITLED  
AN ACT

1 To amend Part 6 of Article 17 of Chapter 2 of Title 20 of the Official Code of Georgia  
2 Annotated, relating to health insurance plans for teachers and other school personnel, so as  
3 to create the Georgia School Personnel Post-employment Health Benefit Fund; to amend  
4 Chapter 18 of Title 45 of the Official Code of Georgia Annotated, relating to employees'  
5 insurance and benefits plans, so as to create the Georgia State Employees Post-employment  
6 Health Benefit Fund; to define certain terms relative to such funds; to provide for certain  
7 responsibilities of the Department of Community Health relative to such funds; to provide  
8 for actuaries for such funds; to provide for control of such funds; to provide for investments;  
9 to provide for minimum annual contributions; to repeal provisions of Article 6 of such  
10 chapter; to provide for related matters; to provide effective dates; to repeal conflicting laws;  
11 and for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

14 Part 6 of Article 17 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated,  
15 relating to health insurance plans for teachers and other school personnel, is amended by  
16 redesignating current Subparts 1 and 2 as Subparts 2 and 3, respectively, and by adding a  
17 new Subpart 1 to read as follows:

18 style="text-align:center">"Subpart 1

19 20-2-874.

20 As used in this subpart, the term:

21 (1) 'Actuarial accrued liability' means that portion, as determined by a particular actuarial  
22 cost method, of the actuarial present value of fund obligations and administrative  
23 expenses which is not provided for by future normal costs.

24 (2) 'Actuarial assumptions' means assumptions regarding the occurrence of future events  
25 affecting costs of the fund such as mortality, withdrawal, disability, and retirement;

26 changes in compensation and offered post-employment benefits; rates of investment  
27 earnings and asset appreciation or depreciation; procedures used to determine the  
28 actuarial value of assets; and other such relevant items.

29 (3) 'Actuarial cost method' means a method for determining the actuarial present value  
30 of the obligations and administrative expenses of the fund and for developing an  
31 actuarially equivalent allocation of such value to time periods, usually in the form of a  
32 normal cost and an actuarial accrued liability. Acceptable actuarial methods are the  
33 aggregate, attained age, entry age, frozen attained age, frozen entry age, and projected  
34 unit credit methods.

35 (4) 'Actuarial valuation' means the determination, as of a valuation date, of the normal  
36 cost, actuarial accrued liability, actuarial value of assets, and related actuarial present  
37 values for the fund.

38 (5) 'Actuarially sound' means that calculated contributions to the fund are sufficient to  
39 pay the full actuarial cost of the fund. The full actuarial cost includes both the normal  
40 cost of providing for fund obligations as they accrue in the future and the cost of  
41 amortizing the unfunded actuarial accrued liability over a period of no more than 30  
42 years.

43 (6) 'Administrative expenses' means all expenses incurred in the operation of the fund,  
44 including all investment expenses.

45 (7) 'Annual required contribution' means the amount determined in accordance with  
46 requirements of Governmental Accounting Standards Board Statement No. 43 or any  
47 subsequent Governmental Accounting Standards Board statements that may be applicable  
48 to the fund.

49 (8) 'Board' means the Board of Community Health.

50 (9) 'Commissioner' means the commissioner of community health.

51 (10) 'Covered health care expenses' means all actual health care expenses incurred by the  
52 health plans on behalf of fund beneficiaries. Actual health care expenses include claims  
53 incurred by fund beneficiaries and providers and premiums incurred by intermediary  
54 entities and health care providers by the health plans.

55 (11) 'Department' means the Department of Community Health.

56 (12) 'Eligible to participate' means employees of employers who are participating in one  
57 of the health plans and those employees of employers who qualify to participate in the  
58 health plan but choose not to do so.

59 (13) 'Employer' means the entity with which the fund beneficiary had the direct, in the  
60 case of employees, or indirect, in the case of dependents, employment relationship that  
61 gave rise to the fund beneficiary's eligibility for post-employment health benefits under  
62 the health plan.

63 (14) 'Fund' means the Georgia School Personnel Post-employment Health Benefit Fund  
 64 established under this subpart.

65 (15) 'Fund beneficiaries' means all persons receiving post-employment health care  
 66 benefits through the health plans.

67 (16) 'Health plans' means the health insurance plan for public school teachers established  
 68 under Subpart 2 of this part and the health insurance plan for public school employees  
 69 established under Subpart 3 of this part.

70 (17) 'Normal cost' means that portion of the actuarial present value of the fund  
 71 obligations and expenses which is allocated to a valuation year by the actuarial cost  
 72 method used for the fund.

73 (18) 'Obligations' means the administrative expenses of the fund and the cost of covered  
 74 health care expenses incurred on behalf of fund beneficiaries less any amounts received  
 75 by or on behalf of fund beneficiaries.

76 (19) 'State plan for other post-employment benefits' means the State of Georgia fiscal  
 77 funding plan for retiree post-employment health care benefits as it relates to  
 78 Governmental Accounting Standards Board Statement No. 43 or any subsequent  
 79 Governmental Accounting Standards Board statements that may be applicable to the  
 80 fund.

81 (20) 'Unfunded actuarial accrued liability' means for any actuarial valuation the excess  
 82 of the actuarial accrued liability over the actuarial value of the assets of the fund under  
 83 an actuarial cost method utilized by the fund for funding purposes.

84 20-2-875.

85 (a) There is created the Georgia School Personnel Post-employment Health Benefit Fund  
 86 to provide for the costs of post-employment health insurance benefits. The fund shall be  
 87 a trust fund of public funds; the board in its official capacity shall be the fund's trustee; and  
 88 the commissioner in his or her official capacity shall be its administrator.

89 (b) On August 31, 2009, the board shall identify the funds held in the Georgia Retiree  
 90 Health Benefit Fund created by Article 6 of Chapter 18 of Title 45 for the payment of  
 91 postretirement health benefits for public school teachers and public school employees and  
 92 shall on that date transfer such funds to the fund created by subsection (a) of this Code  
 93 section.

94 (c) The fund shall be available and dedicated without fiscal year limitations for covered  
 95 health care expenses and administration costs. All employer and fund beneficiary  
 96 contributions, appropriations, earnings, and reserves for the payment of obligations under  
 97 this subpart shall be irrevocably credited to the fund. The amounts remaining in the fund,  
 98 if any, after such health care expenses and administration costs have been paid shall be

99 retained in the fund as a special reserve for covered health care expenses and  
100 administration costs. The board shall determine the time and amounts of distributions from  
101 the special reserve for covered health care expenses and administration costs. All assets  
102 of the fund shall be used solely for the payment of fund obligations and for no other  
103 purpose and shall be protected from creditors of the state and the employers.

104 20-2-876.

105 (a) Responsibility for the proper operation of the fund is vested in the department.

106 (b) The board shall adopt actuarial assumptions as it deems necessary and prudent.

107 (c) The board may adopt any rules and regulations that it finds necessary to properly  
108 administer the fund.

109 (d) The board shall adopt rules and regulations to account for employer contributions and  
110 other assets separately.

111 (e) The commissioner, as executive officer of the board, shall employ such personnel as  
112 may be needed to carry out the provisions of this subpart and such personnel shall be  
113 employees of the department. The pro rata share of the costs of operating the department  
114 in the manner prescribed by law shall be a part of the administrative costs of the fund.

115 (f) The department may employ or contract for the services of actuaries and other  
116 professionals as required to carry out the duties established by this subpart.

117 (g) The department shall contract with the Division of Investment Services of the Teachers  
118 Retirement System of Georgia for any necessary services with respect to fund investments.

119 (h) The department shall maintain all necessary records regarding the fund in accordance  
120 with generally accepted accounting principles, as applicable to the fund.

121 (i) The department shall collect all moneys due to the fund and shall pay any  
122 administrative expenses necessary and appropriate for the operation of the fund from the  
123 fund.

124 (j) The department shall prepare an annual report of fund activities for the board, the  
125 House Committee on Appropriations, and the Senate Appropriations Committee. Such  
126 reports shall include, but not be limited to, audited financial statements. The reports shall  
127 contain the most recent information reasonably available to the department reflecting the  
128 obligations of the fund, earnings on investments, and such other information as the board  
129 deems necessary and appropriate. This report is due September 30 and shall reflect activity  
130 on a state fiscal year basis.

131 (k) Notwithstanding any other provision of law to the contrary, the department shall be  
132 entitled to any information that it deems necessary and appropriate from a retirement  
133 system in order that the provisions of Code Section 20-2-877 may be carried out.

134 20-2-877.

135 (a) The actuary employed or retained by the department shall provide technical advice to  
136 the department and to the board regarding the operation of the fund.

137 (b) Utilizing the actuarial assumptions most recently adopted by the board, the actuary  
138 shall set annual actuarial valuations of normal cost, actuarial liability, actuarial value of  
139 assets, and related actuarial present values for the state plan for other post-employment  
140 benefits.

141 20-2-878.

142 (a) Subject to the supervision of the board, the commissioner shall have control over the  
143 fund established by this subpart. The obligations provided for in this subpart and all  
144 administrative expenses shall be paid from the fund. The department may expend moneys  
145 from the fund for any purpose authorized by this subpart.

146 (b) Subject to the supervision of the board, the commissioner shall have full power to  
147 invest and reinvest its assets, subject to all of the terms, conditions, limitations, and  
148 restrictions imposed by Article 7 of Chapter 20 of Title 47, the 'Public Retirement Systems  
149 Investment Authority Law' for large retirement systems. Subject to such terms, conditions,  
150 limitations, and restrictions, the commissioner shall have full power to hold, purchase, sell,  
151 assign, transfer, and dispose of any securities and investments in which any of the moneys  
152 are invested, including the proceeds of any investments and other moneys belonging to the  
153 fund. The records maintained by the fund shall have the same exemption from public  
154 inspection as that provided in Code Section 47-1-14.

155 (c) Except as otherwise provided in this subpart, no member of the board or employee of  
156 the department shall have any personal interest in the gains or profits from any investment  
157 made by the board or use the assets of the fund in any manner, directly or indirectly, except  
158 to make such payments as may be authorized by the board or by the commissioner as the  
159 executive officer of the board in accordance with this subpart.

160 20-2-879.

161 (a) The board shall annually determine the minimum annual required contributions  
162 sufficient to maintain the fund in an actuarially sound manner in accordance with  
163 Governmental Accounting Standards Board Statement No. 43 or any subsequent  
164 Governmental Accounting Standards Board statements that may be applicable to the fund.

165 (b) The board may annually establish required employer contributions to the fund which  
166 are supplemental to required employer contributions to the health plans as set forth in  
167 Subparts 2 and 3 of this part.

168 (c) It shall be the responsibility of employers to make contributions to the fund in  
 169 accordance with the employer contribution rates established by the board."

170 **SECTION 2.**

171 Chapter 18 of Title 45 of the Official Code of Georgia Annotated, relating to employees'  
 172 insurance and benefits plans, is revised in Article 1, relating to the State Employees' Health  
 173 Insurance Plan, by designating the existing Code sections as Part 1 and adding a new part to  
 174 read as follows:

175 "Part 2

176 45-18-24.

177 As used in this part, the term:

178 (1) 'Actuarial accrued liability' means that portion, as determined by a particular actuarial  
 179 cost method, of the actuarial present value of fund obligations and administrative  
 180 expenses which is not provided for by future normal costs.

181 (2) 'Actuarial assumptions' means assumptions regarding the occurrence of future events  
 182 affecting costs of the fund such as mortality, withdrawal, disability, and retirement;  
 183 changes in compensation and offered post-employment benefits; rates of investment  
 184 earnings and asset appreciation or depreciation; procedures used to determine the  
 185 actuarial value of assets; and other such relevant items.

186 (3) 'Actuarial cost method' means a method for determining the actuarial present value  
 187 of the obligations and administrative expenses of the fund and for developing an  
 188 actuarially equivalent allocation of such value to time periods, usually in the form of a  
 189 normal cost and an actuarial accrued liability. Acceptable actuarial methods are the  
 190 aggregate, attained age, entry age, frozen attained age, frozen entry age, and projected  
 191 unit credit methods.

192 (4) 'Actuarial valuation' means the determination, as of a valuation date, of the normal  
 193 cost, actuarial accrued liability, actuarial value of assets, and related actuarial present  
 194 values for the fund.

195 (5) 'Actuarially sound' means that calculated contributions to the fund are sufficient to  
 196 pay the full actuarial cost of the fund. The full actuarial cost includes both the normal  
 197 cost of providing for fund obligations as they accrue in the future and the cost of  
 198 amortizing the unfunded actuarial accrued liability over a period of no more than 30  
 199 years.

200 (6) 'Administrative expenses' means all expenses incurred in the operation of the fund,  
 201 including all investment expenses.

202 (7) 'Annual required contribution' means the amount determined in accordance with  
203 requirements of Governmental Accounting Standards Board Statement No. 43 or any  
204 subsequent Governmental Accounting Standards Board statements that may be applicable  
205 to the fund.

206 (8) 'Board' means the Board of Community Health.

207 (9) 'Commissioner' means the commissioner of community health.

208 (10) 'Covered health care expenses' means all actual health care expenses incurred by the  
209 health plan on behalf of fund beneficiaries. Actual health care expenses include claims  
210 incurred by fund beneficiaries and providers and premiums incurred by intermediary  
211 entities and health care providers by the health plan.

212 (11) 'Department' means the Department of Community Health.

213 (12) 'Eligible to participate' means employees of employers who are participating in the  
214 health plan and those employees of employers who qualify to participate in the health  
215 plan but choose not to do so.

216 (13) 'Employer' means the entity with which the fund beneficiary had the direct, in the  
217 case of employees, or indirect, in the case of dependents, employment relationship that  
218 gave rise to the fund beneficiary's eligibility for post-employment health benefits under  
219 the health plan.

220 (14) 'Fund' means the Georgia State Employees Post-employment Health Benefit Fund  
221 established under this part.

222 (15) 'Fund beneficiaries' means all persons receiving post-employment health care  
223 benefits as retirees or derivatively through retirees through the health plan.

224 (16) 'Health plan' means the state employees' health insurance plan established under  
225 Part 1 of this article.

226 (17) 'Normal cost' means that portion of the actuarial present value of the fund  
227 obligations and expenses which is allocated to a valuation year by the actuarial cost  
228 method used for the fund.

229 (18) 'Obligations' means the administrative expenses of the fund and the cost of covered  
230 health care expenses incurred on behalf of fund beneficiaries less any amounts received  
231 by or on behalf of fund beneficiaries.

232 (19) 'State plan for other post-employment benefits' means the State of Georgia fiscal  
233 funding plan for retiree post-employment health care benefits as it relates to  
234 Governmental Accounting Standards Board Statement No. 43 or any subsequent  
235 Governmental Accounting Standards Board statements that may be applicable to the  
236 fund.

237 (20) 'Unfunded actuarial accrued liability' means for any actuarial valuation the excess  
238 of the actuarial accrued liability over the actuarial value of the assets of the fund under  
239 an actuarial cost method utilized by the fund for funding purposes.

240 45-18-25.

241 (a) There is created the Georgia State Employees Post-employment Health Benefit Fund  
242 to provide for the costs of post-employment health insurance benefits. The fund shall be  
243 a trust fund of public funds; the board in its official capacity shall be the fund's trustee; and  
244 the commissioner in his or her official capacity shall be its administrator.

245 (b) On August 31, 2009, the board shall identify the funds held in the Georgia Retiree  
246 Health Benefit Fund created by Article 6 of this chapter for the payment of postretirement  
247 health benefits for state employees and shall on that date transfer such funds to the fund  
248 created by subsection (a) of this Code section.

249 (c) The fund shall be available and dedicated without fiscal year limitations for covered  
250 health care expenses and administration costs. All employer and fund beneficiary  
251 contributions, appropriations, earnings, and reserves for the payment of obligations under  
252 this part shall be irrevocably credited to the fund. The amounts remaining in the fund, if  
253 any, after such health care expenses and administration costs have been paid shall be  
254 retained in the fund as a special reserve for covered health care expenses and  
255 administration costs. The board shall determine the time and amounts of distributions from  
256 the special reserve for covered health care expenses and administration costs. All assets  
257 of the fund shall be used solely for the payment of fund obligations and for no other  
258 purpose and shall be protected from creditors of the state and the employers.

259 45-18-102.

260 (a) Responsibility for the proper operation of the fund is vested in the department.

261 (b) The board shall adopt actuarial assumptions as it deems necessary and prudent.

262 (c) The board may adopt any rules and regulations that it finds necessary to properly  
263 administer the fund.

264 (d) The board shall adopt rules and regulations to account for employer contributions and  
265 other assets separately.

266 (e) The commissioner, as executive officer of the board, shall employ such personnel as  
267 may be needed to carry out the provisions of this part and such personnel shall be  
268 employees of the department. The pro rata share of the costs of operating the department  
269 in the manner prescribed by law shall be a part of the administrative costs of the fund.

270 (f) The department may employ or contract for the services of actuaries and other  
271 professionals as required to carry out the duties established by this part.

272 (g) The department shall contract with the Division of Investment Services of the  
273 Employees' Retirement System of Georgia for any necessary services with respect to fund  
274 investments.

275 (h) The department shall maintain all necessary records regarding the fund in accordance  
276 with generally accepted accounting principles, as applicable to the fund.

277 (i) The department shall collect all moneys due to the fund and shall pay any  
278 administrative expenses necessary and appropriate for the operation of the fund from the  
279 fund.

280 (j) The department shall prepare an annual report of fund activities for the board, the  
281 House Committee on Appropriations, and the Senate Appropriations Committee. Such  
282 reports shall include, but not be limited to, audited financial statements. The reports shall  
283 contain the most recent information reasonably available to the department reflecting the  
284 obligations of the fund, earnings on investments, and such other information as the board  
285 deems necessary and appropriate. This report is due September 30 and shall reflect activity  
286 on a state fiscal year basis.

287 (k) Notwithstanding any other provision of law to the contrary, the department shall be  
288 entitled to any information that it deems necessary and appropriate from a retirement  
289 system in order that the provisions of Code Section 45-18-26 may be carried out.

290 45-18-26.

291 (a) The actuary employed or retained by the department shall provide technical advice to  
292 the department and to the board regarding the operation of the fund.

293 (b) Utilizing the actuarial assumptions most recently adopted by the board, the actuary  
294 shall set annual actuarial valuations of normal cost, actuarial liability, actuarial value of  
295 assets, and related actuarial present values for the state plan for other post-employment  
296 benefits.

297 45-18-27.

298 (a) Subject to the supervision of the board, the commissioner shall have control over the  
299 fund established by this part. The obligations provided for in this part and all  
300 administrative expenses shall be paid from the fund. The department may expend moneys  
301 from the fund for any purpose authorized by this part.

302 (b) Subject to the supervision of the board, the commissioner shall have full power to  
303 invest and reinvest its assets, subject to all of the terms, conditions, limitations, and  
304 restrictions imposed by Article 7 of Chapter 20 of Title 47, the 'Public Retirement Systems  
305 Investment Authority Law' for large retirement systems. Subject to such terms, conditions,  
306 limitations, and restrictions, the commissioner shall have full power to hold, purchase, sell,

307 assign, transfer, and dispose of any securities and investments in which any of the moneys  
 308 are invested, including the proceeds of any investments and other moneys belonging to the  
 309 fund. The records maintained by the fund shall have the same exemption from public  
 310 inspection as that provided in Code Section 47-1-14.

311 (c) Except as otherwise provided in this part, no member of the board or employee of the  
 312 department shall have any personal interest in the gains or profits from any investment  
 313 made by the board or use the assets of the fund in any manner, directly or indirectly, except  
 314 to make such payments as may be authorized by the board or by the commissioner as the  
 315 executive officer of the board in accordance with this part.

316 45-18-28.

317 (a) The board shall annually determine the minimum annual required contributions  
 318 sufficient to maintain the fund in an actuarially sound manner in accordance with  
 319 Governmental Accounting Standards Board Statement No. 43 or any subsequent  
 320 Governmental Accounting Standards Board statements that may be applicable to the fund.

321 (b) The board may annually establish required employer contributions to the fund which  
 322 are supplemental to required employer contributions to the health plans as set forth in Part  
 323 1 of this article.

324 (c) It shall be the responsibility of state agencies to make contributions to the fund, subject  
 325 to appropriations, in accordance with the employer contribution rate established by the  
 326 board.

327 (d) It shall be the responsibility of all other employers to make contributions to the fund  
 328 in accordance with the employer contribution rates established by the board."

329 **SECTION 3.**

330 Said chapter is further amended by repealing in its entirety Article 6, relating to the Georgia  
 331 Retiree Health Benefit Fund, which reads as follows:

332 "ARTICLE 6

333 45-18-100.

334 As used in this article, the term:

335 (1) 'Actuarial accrued liability' means that portion, as determined by a particular actuarial  
 336 cost method, of the actuarial present value of fund obligations and administrative  
 337 expenses which is not provided for by future normal costs.

338 (2) 'Actuarial assumptions' means assumptions regarding the occurrence of future events  
 339 affecting costs of the fund such as mortality, withdrawal, disability, and retirement;

340 changes in compensation and offered post-employment benefits; rates of investment  
341 earnings and asset appreciation or depreciation; procedures used to determine the  
342 actuarial value of assets; and other such relevant items.

343 (3) 'Actuarial cost method' means a method for determining the actuarial present value  
344 of the obligations and administrative expenses of the fund and for developing an  
345 actuarially equivalent allocation of such value to time periods, usually in the form of a  
346 normal cost and an actuarial accrued liability. Acceptable actuarial methods are the  
347 aggregate, attained age, entry age, frozen attained age, frozen entry age, and projected  
348 unit credit methods.

349 (4) 'Actuarial present value of total projected benefits' means the present value, at the  
350 valuation date, of the cost to finance benefits payable in the future, discounted to reflect  
351 the expected effects of the time value of money and the probability of payment.

352 (5) 'Actuarial valuation' means the determination, as of a valuation date, of the normal  
353 cost, actuarial accrued liability, actuarial value of assets, and related actuarial present  
354 values for the fund.

355 (6) 'Actuarially sound' means that calculated contributions to the fund are sufficient to  
356 pay the full actuarial cost of the fund. The full actuarial cost includes both the normal  
357 cost of providing for fund obligations as they accrue in the future and the cost of  
358 amortizing the unfunded actuarial accrued liability over a period of no more than 30  
359 years.

360 (7) 'Administrative expenses' means all expenses incurred in the operation of the fund,  
361 including all investment expenses.

362 (8) 'Annual required contribution' means the amount determined in accordance with  
363 requirements of Governmental Accounting Standards Board Statement No. 43, or any  
364 subsequent Governmental Accounting Standards Board statements that may be applicable  
365 to the fund.

366 (9) 'Board' means the Board of Community Health.

367 (9.1) 'Commissioner' means the commissioner of community health.

368 (10) 'Covered health care expenses' means all actual health care expenses incurred by the  
369 health plan with respect to fund beneficiaries. Actual health care expenses include claims  
370 incurred with respect to fund beneficiaries and providers and premiums incurred with  
371 respect to intermediary entities and health care providers by the health plan.

372 (11) 'Department' means the Department of Community Health.

373 (12) 'Eligible to participate' means employees of employers who are participating in the  
374 health plan and those employees of employers who qualify to participate in the health  
375 plan but choose not to do so.

376 (13) 'Employer' means the State of Georgia; the departments, agencies, or institutions of  
377 the state; and any political subdivision of the state that employs persons who are eligible  
378 to participate in the health plan.

379 (14) 'Fund' means the Georgia Retiree Health Benefit Fund established under this article.

380 (15) 'Fund beneficiaries' means all persons receiving post-employment health care  
381 benefits as retirees or derivatively through retirees through the health plan.

382 (16) 'Fund participants' means employees of an employer who are eligible to participate  
383 in the health plan.

384 (17) 'Health plan' means the state employees' health insurance plan established under  
385 Article 1 of this chapter, the health insurance plan for public school teachers established  
386 under Subpart 1 of Part 6 of Article 17 of Chapter 2 of Title 20 of the Official Code of  
387 Georgia Annotated, and the health insurance plan for public school employees established  
388 under Subpart 2 of Part 6 of Article 17 of Chapter 2 of Title 20 of the Official Code of  
389 Georgia Annotated.

390 (18) 'Normal cost' means that portion of the actuarial present value of the fund  
391 obligations and expenses which is allocated to a valuation year by the actuarial cost  
392 method used for the fund.

393 (19) 'Obligations' means the administrative expenses of the fund and the cost of covered  
394 health care expenses incurred on behalf of fund beneficiaries less any amounts received  
395 by or on behalf of fund beneficiaries.

396 (20) 'Retirement plan' means any retirement or pension plan or any other plan or program  
397 which exists on July 1, 2006, or which is created or established on or after that date, and  
398 which is maintained by an employer or maintained pursuant to law or other authority of  
399 an employer for the purpose of paying retirement benefits to fund beneficiaries. The term  
400 shall also include any plan or program that creates a retired position, including, but not  
401 limited to, emeritus positions, which provides a salary for such position in lieu of a  
402 retirement benefit. The term shall also include a plan that provides for an individual  
403 account for each participant and for benefits determined solely upon the amounts  
404 contributed by the employer and the participant to the participant's account and any  
405 income, expenses, gains, and losses.

406 (21) 'State plan for other post-employment benefits' means the State of Georgia fiscal  
407 funding plan for retiree post-employment health care benefits as it relates to  
408 Governmental Accounting Standards Board Statement No. 43, or any subsequent  
409 Governmental Accounting Standards Board statements that may be applicable to the  
410 fund.

411 (22) 'Unfunded actuarial accrued liability' means for any actuarial valuation the excess  
412 of the actuarial accrued liability over the actuarial value of the assets of the fund under  
413 an actuarial cost method utilized by the fund for funding purposes.

414 45-18-101.

415 (a) There is created the Georgia Retiree Health Benefit Fund to provide for the costs of  
416 retiree post-employment health insurance benefits. The fund shall be a trust fund of public  
417 funds; the board in its official capacity shall be the fund's trustee; and the commissioner in  
418 his or her official capacity shall be its administrator.

419 (b) The fund shall be available and dedicated without fiscal year limitations for covered  
420 health care expenses and administration costs. All employer and retiree contributions,  
421 appropriations, earnings, and reserves for the payment of obligations under this article shall  
422 be irrevocably credited to such fund. The amounts remaining in such fund, if any, after  
423 such health care expenses and administration costs have been paid shall be retained in such  
424 fund as a special reserve for covered health care expenses and administration costs. The  
425 board shall determine the time and amounts of distributions from the special reserve for  
426 covered health care expenses and administration costs. All assets of the fund excluding  
427 amounts identified in subsection (c) of this Code section shall be used solely for the  
428 payment of fund obligations and for no other purpose and shall be protected from creditors  
429 of the state and the employers.

430 45-18-102.

431 (a) Responsibility for the proper operation of the fund is vested in the department.

432 (b) The board shall adopt actuarial assumptions as it deems necessary and prudent.

433 (c) Reserved.

434 (d) The board may adopt any rules and regulations that it finds necessary to properly  
435 administer the fund.

436 (e) The board shall adopt rules and regulations to account for employer contributions and  
437 other assets separately and by each pension plan separately.

438 (f) The commissioner, as executive officer of the board, shall employ such personnel as  
439 may be needed to carry out the provisions of this article and such personnel shall be  
440 employees of the Department of Community Health. The pro rata share of the costs of  
441 operating the Department of Community Health in the manner prescribed by law shall be  
442 a part of the administrative costs of the fund.

443 (g) The department may employ or contract for the services of actuaries and other  
444 professionals as required to carry out the duties established by this article.

445 (h) The department shall contract with the Division of Investment Services of the Teachers  
446 Retirement System of Georgia and the Employees' Retirement System of Georgia for any  
447 necessary services with respect to fund investments.

448 (i) The department shall maintain all necessary records regarding the fund in accordance  
449 with generally accepted accounting principles, as applicable to the fund.

450 (j) The department shall collect all moneys due to the fund and shall pay any  
451 administrative expenses necessary and appropriate for the operation of the fund from the  
452 fund.

453 (k) The department shall prepare an annual report of fund activities for the board, the  
454 House Appropriations Committee, and the Senate Appropriations Committee. Such reports  
455 shall include, but not be limited to, audited financial statements. The reports shall contain  
456 the most recent information reasonably available to the department reflecting the  
457 obligations of the fund, earnings on investments, and such other information as the board  
458 deems necessary and appropriate. This report is due September 30 and shall reflect activity  
459 on a state fiscal year basis.

460 (l) Notwithstanding any other provision of law to the contrary, the department shall be  
461 entitled to any information that it deems necessary and appropriate from a retirement  
462 system in order that the provisions of Code Section 45-18-103 may be carried out.

463 45-18-103.

464 (a) The actuary employed or retained by the department shall provide technical advice to  
465 the department and to the board regarding the operation of the fund.

466 (b) Utilizing the actuarial assumptions most recently adopted by the board, the actuary  
467 shall set annual actuarial valuations of normal cost, actuarial liability, actuarial value of  
468 assets, and related actuarial present values for the state plan for other post-employment  
469 benefits.

470 45-18-104.

471 (a) Subject to the supervision of the board, the commissioner shall have control over the  
472 fund established by this chapter. The obligations provided for in this chapter and all  
473 administrative expenses shall be paid from the fund. The department may expend moneys  
474 from the fund for any purpose authorized by this chapter.

475 (b) Subject to the supervision of the board, the commissioner shall have full power to  
476 invest and reinvest its assets, subject to all of the terms, conditions, limitations, and  
477 restrictions imposed by Article 7 of Chapter 20 of Title 47, the 'Public Retirement Systems  
478 Investment Authority Law.' Subject to such terms, conditions, limitations, and restrictions,  
479 the commissioner shall have full power to hold, purchase, sell, assign, transfer, and dispose

480 of any securities and investments in which any of the moneys are invested, including the  
481 proceeds of any investments and other moneys belonging to the fund.

482 (c) Except as otherwise provided in this chapter, no member of the board or employee of  
483 the department shall have any personal interest in the gains or profits from any investment  
484 made by the board or use the assets of the fund in any manner, directly or indirectly, except  
485 to make such payments as may be authorized by the board or by the commissioner as the  
486 executive officer of the board in accordance with this article.

487 45-18-105.

488 (a) The board shall annually determine the minimum annual required contributions  
489 sufficient to maintain the fund in an actuarially sound manner in accordance with  
490 Governmental Accounting Standards Board Statement No. 43, or any subsequent  
491 Governmental Accounting Standards Board statements that may be applicable to the fund.

492 (b) In addition to the employer contributions required to be made to the fund for the health  
493 plan as determined from fiscal year to fiscal year under Part 6 of Article 17 of Chapter 2  
494 of Title 20 and under Article 1 of this chapter, the board may annually establish employer  
495 contribution rates in accordance with the state plan for other post-employment benefits.

496 (c) It shall be the responsibility of state agencies to make contributions to the fund, subject  
497 to appropriations, in accordance with the employer contribution rate established by the  
498 board.

499 (d) It shall be the responsibility of all other employers to make contributions to the fund  
500 in accordance with the employer contribution rates established by the board in addition to  
501 the employer contributions required to be made to the fund for the health plan as  
502 determined from fiscal year to fiscal year under Part 6 of Article 17 of Chapter 2 of Title  
503 20 and Article 1 of this chapter."

504 **SECTION 4.**

505 Section 3 of this Act shall become effective on September 1, 2010. The remaining sections  
506 of this Act shall become effective upon its approval by the Governor or upon its becoming  
507 law without such approval.

508 **SECTION 5.**

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