

The Senate Committee on Retirement offered the following substitute to SB 101:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 5 of Chapter 2 of Title 47 of the Official Code of Georgia Annotated,
2 relating to service creditable toward retirement benefits under the Employees' Retirement
3 System of Georgia, so as to provide for creditable service in the Employees' Retirement
4 System of Georgia for prior service as a member of the Georgia Defined Contribution Plan;
5 to provide for application and payment of the full actuarial cost; to provide for related
6 matters; to provide conditions for an effective date and automatic repeal; to repeal conflicting
7 laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 SECTION 1.

10 Article 5 of Chapter 2 of Title 47 of the Official Code of Georgia Annotated, relating to
11 service creditable toward retirement benefits under the Employees' Retirement System of
12 Georgia, is amended by revising Code Section 47-2-99, relating to applicability of creditable
13 service under Code Section 47-2-334 and Chapter 22 of this title and obtaining service and
14 application for creditable service, as follows:

15 "47-2-99.

16 (a) Any member of the retirement system, including a member subject to the provisions
17 of Code Section 47-2-334, who was, at any time prior to becoming a member, employed
18 by an employer as a temporary full-time employee, may obtain up to 12 months of
19 creditable service for such service as a temporary full-time employee under the conditions
20 contained in this Code section; provided, however, ~~that no such credit shall be granted for~~
21 ~~any period which~~ to the extent that such employment was covered under Chapter 22 of this
22 title, relating to the Georgia Defined Contribution Plan, the provisions of Code Section
23 47-2-101 shall apply.

24 (b) Any person desiring to obtain the creditable service authorized by subsection (a) of this
25 Code section shall make application in such manner as the board of trustees deems proper;
26 tender to the board of trustees such proof of the prior employment as the board shall deem

necessary; and pay to the board of trustees the employer and employee contributions as would have been paid if the member had been a member at the time of performing such prior service, together with regular interest thereon compounded annually to the date of payment.

(c) Application for creditable service authorized by subsection (a) of this Code section must be received by the board of trustees not later than June 30, 2001, or 24 months after the member becomes a member of the retirement system, whichever date is later."

SECTION 2.

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

"47-2-101.

(a) A member who was a member of the Georgia Defined Contribution Plan created by Chapter 22 of this title immediately prior to becoming a member of this retirement system shall be entitled to obtain creditable service in this retirement system for all such prior service with such Georgia Defined Contribution Plan employer.

(b) To obtain the creditable service established by subsection (a) of this Code section, a member shall:

(1) Accrue at least two years of membership in this retirement system;

(2) Apply to the board of trustees while a contributing member of the retirement system in a manner to be prescribed by the board of trustees;

(3) Provide proof of such prior service as a Georgia Defined Contribution Plan member as the board of trustees deems necessary;

(4) Authorize the transfer of all funds from his or her Georgia Defined Contribution Plan account related to the prior service for which creditable service is sought; and

(5) Pay to the board of trustees an amount determined by the board of trustees to be sufficient to cover the full actuarial cost of granting the creditable service allowed by this Code section after accounting for any transfer under paragraph (4) of this subsection.

(c) Following its approval of an application for creditable service pursuant to this Code section, the board of trustees shall certify to the applicant the amount of the payment to the retirement system required to earn creditable service allowed.

(d) A member may make a one-time payment of the full amount established by the board of trustees under subsection (c) of this Code section within 90 days and thereafter receive such creditable service to which he or she is entitled or may elect to participate in a payment plan pursuant to subsection (e) of this Code section.

(e)(1)(A) A member may elect to make equal monthly payments to be deducted from such member's earnable compensation over a period of 12, 24, 36, 48, 60, or 120 months to be paid according to a schedule established by the board of trustees, which

63 amortizes the full actuarial cost of obtaining the creditable service, over the elected
64 period of time based on the retirement system's most recent valuation assumptions.
65 Such schedule shall include a present accounting of the full amount necessary to
66 complete the payments.

67 (B) Once a member makes an election for an eligible period of time, he or she shall not
68 be permitted to change such election.

69 (2) At any time prior to retirement, a contributing member may make a one-time
70 payment of the full amount necessary to complete the payments owed pursuant to the
71 schedule established by the board of trustees pursuant to paragraph (1) of this subsection.

72 (3) Upon application for retirement, a member may make a one-time payment to the
73 retirement system of the remaining amount owed pursuant to paragraph (1) of this
74 subsection and shall be awarded such creditable service to which he or she is entitled.

75 (4) Upon retirement, if a member has not paid an amount constituting the full actuarial
76 cost as amortized, he or she shall only be awarded only as many months of creditable
77 service on a whole month, pro rata basis as determined by the board of trustees from the
78 original amortized payment schedule elected under paragraph (1) of this subsection as
79 have been paid for in full.

80 (5) Within 30 days of a member ceasing to be an employee for a reason other than death
81 or retirement such individual shall make a one-time payment to the retirement system of
82 the remaining amount necessary to complete the payments owed in accordance with the
83 schedule established pursuant to paragraph (1) of this subsection and be awarded such
84 creditable service to which he or she is entitled. If he or she does not make such
85 payment, the board of trustees shall issue to such individual a refund of payments made
86 pursuant to this subsection, and he or she shall forfeit the related creditable service;
87 provided, however, that if the individual is a vested member of the retirement system, he
88 or she shall be awarded such creditable service allowed pursuant to paragraph (4) of this
89 subsection. Such individual may reapply for the creditable service sought if eligible and
90 in accordance with this Code section.

91 (6) Within 30 days of a member defaulting by failing to make his or her complete
92 monthly payment in accordance with the schedule established pursuant to paragraph (1)
93 of this subsection such individual shall make a one-time payment to the retirement system
94 of the remaining amount necessary to complete the payments owed in accordance with
95 the schedule established pursuant to paragraph (1) of this subsection and be awarded such
96 creditable service to which he or she is entitled. If he or she does not make such
97 payment, the board of trustees shall issue to such individual a refund of payments made
98 pursuant to this subsection, and he or she shall forfeit the related creditable service. Such

99 individual may reapply for the creditable service sought if eligible and in accordance with
100 this Code section."

101 **SECTION 3.**

102 This Act shall become effective on July 1, 2018, only if it is determined to have been
103 concurrently funded as provided in Chapter 20 of Title 47 of the Official Code of Georgia
104 Annotated, the "Public Retirement Systems Standards Law"; otherwise, this Act shall not
105 become effective and shall be automatically repealed in its entirety on July 1, 2018, as
106 required by subsection (a) of Code Section 47-20-50.

107 **SECTION 4.**

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