

The Senate Committee on Retirement offered the following substitute to SB 197:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 1 of Chapter 20 of Title 47 of the Official Code of Georgia Annotated,
2 relating to general provisions of the Public Retirement Systems Standards Law, so as to
3 provide that no law, rule, regulation, resolution, or ordinance shall pass allowing for
4 creditable service in a retirement system that does not require an individual to pay the full
5 actuarial cost associated with obtaining such creditable service; to provide for the amendment
6 of existing laws; to provide for an exception; to provide for optional payment plans for
7 creditable service; to provide for related matters; to repeal conflicting laws; and for other
8 purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

10 Article 1 of Chapter 20 of Title 47 of the Official Code of Georgia Annotated, relating to
11 general provisions of the Public Retirement Systems Standards Law, is amended by adding
12 a new Code section to read as follows:

13 "47-20-6.

14 (a) After July 1, 2018, no law, rule, regulation, resolution, or ordinance shall pass that
15 allows for any form of creditable service in any retirement system that does not require the
16 individual obtaining such creditable service to pay to such retirement system an amount
17 equal to the full actuarial cost of obtaining such creditable service.

18 (b) Existing laws, rules, regulations, resolutions, or ordinances that allow for any form of
19 creditable service in any retirement system for an individual for an amount less than the full
20 actuarial cost of obtaining such creditable service shall only be amended in a manner that
21 does not increase the actuarial cost to any retirement system.

22 (c) This Code section shall not apply to credit for service in a retirement system that a
23 member accrued while a contributing member of such retirement system."
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SECTION 2.

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

"47-20-7.

(a) Any retirement system administrator may adopt a procedure for accepting payments for creditable service in accordance with subsections (b), (c), and (d) of this Code section, which shall only apply to those adopting retirement systems.

(b) Following its approval of an application for creditable service, a retirement system administrator shall certify to the applicant the amount of the payment to the retirement system required to earn the creditable service allowed.

(c) A member may make a one-time payment of the full amount established by the retirement system administrator under subsection (b) 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 (d) of this Code section.

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

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

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

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

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

(5) Within 30 days of a member ceasing to be an employee for a reason other than death or retirement such individual shall make a one-time payment to the retirement system of the remaining amount necessary to complete the payments owed in accordance with the

62 schedule established pursuant to paragraph (1) of this subsection and be awarded such
63 creditable service to which he or she is entitled. If he or she does not make such
64 payment, the retirement system administrator shall issue to such individual a refund of
65 payments made pursuant to this subsection, and he or she shall forfeit the related
66 creditable service; provided, however, that if the individual is a vested member of the
67 retirement system, he or she shall be awarded such creditable service allowed pursuant
68 to paragraph (4) of this subsection. Such individual may reapply for the creditable
69 service sought if eligible and in accordance with this Code section.

70 (6) Within 30 days of a member defaulting by failing to make his or her complete
71 monthly payment in accordance with the schedule established pursuant to paragraph (1)
72 of this subsection such individual shall make a one-time payment to the retirement system
73 of the remaining amount necessary to complete the payments owed in accordance with
74 the schedule established pursuant to paragraph (1) of this subsection and be awarded such
75 creditable service to which he or she is entitled. If he or she does not make such
76 payment, the retirement system administrator shall issue to such individual a refund of
77 payments made pursuant to this subsection, and he or she shall forfeit the related
78 creditable service. Such individual may reapply for the creditable service sought if
79 eligible and in accordance with this Code section."

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SECTION 3.

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