

The House Committee on Retirement offers 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 style="text-align:center">**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

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

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

34 **SECTION 2.**

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

36 "47-2-101.

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

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

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

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

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

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

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

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

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

60 (e)(1)(A) A member may elect to make equal monthly payments to be deducted from  
 61 such member's earnable compensation over a period of 12, 24, 36, 48, 60, or 120  
 62 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.