

The Senate Committee on Retirement offered the following substitute to SB 294:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 2 of Title 37 of the Official Code of Georgia Annotated, relating to  
2 administration of mental health, developmental disabilities, addictive diseases, and other  
3 disability services, so as to remove a cross-reference; to amend Chapter 2 of Title 47 of the  
4 Official Code of Georgia Annotated, relating to the Employees' Retirement System of  
5 Georgia, so as to require certain public employers to make employer and employee  
6 contributions to the Employees' Retirement System of Georgia on behalf of retired members  
7 employed by such employers either directly or indirectly; to remove a cross-reference; to  
8 provide for related matters; to provide conditions for an effective date and automatic repeal;  
9 to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

11 Chapter 2 of Title 37 of the Official Code of Georgia Annotated, relating to administration  
12 of mental health, developmental disabilities, addictive diseases, and other disability services,  
13 is amended by revising subsection (k) of Code Section 37-2-6.1, relating to community  
14 service boards, executive director, staff, budget, facilities, powers and duties, and exemption  
15 from state and local taxation, as follows:  
16

17 "(k) No community service board shall employ or retain in employment, either directly or  
18 indirectly through contract, any person who is receiving a retirement benefit from the  
19 Employees' Retirement System of Georgia ~~except in accordance with the provisions of~~  
20 ~~subsection (c) of Code Section 47-2-110~~; provided, however, that any such person who is  
21 employed as of July 1, 2004, may continue to be employed."

**SECTION 2.**

22 Chapter 2 of Title 47 of the Official Code of Georgia Annotated, relating to the Employees'  
23 Retirement System of Georgia, is amended by revising Code Section 47-2-110, relating to  
24

25 retirement ages, application and eligibility for a retirement allowance, suspension of  
26 retirement allowance upon reemployment, and health benefits, as follows:

27 "47-2-110.

28 (a)(1)(A) Upon written application to the board of trustees, any member in service who  
29 has reached 60 years of age or who has 30 years of creditable service may retire on a  
30 service retirement allowance, provided that he or she has at least five years of creditable  
31 service; provided, further, that if he or she became a member after July 1, 1968, he or  
32 she has at least ten years of creditable service. The effective date of retirement shall be  
33 the first of the month in which the application is received by the board of trustees,  
34 provided that no retirement application will, in any case, be effective earlier than the  
35 first of the month following the final month of the applicant's employment.  
36 Applications for retirement shall not be accepted more than 90 days in advance of the  
37 effective date of retirement. Separation from service pending approval of the retirement  
38 application shall not affect eligibility for a retirement allowance. The provisions of this  
39 subsection regarding the effective date of retirement shall apply to all persons making  
40 application for retirement on or after March 15, 1979, and to all persons who have made  
41 application prior to March 15, 1979, but to whom payments from the retirement system  
42 have not commenced as of that date. Each employer shall certify to the board of  
43 trustees the date on which the employee's employment is or will be severed.

44 (B) If the employee has not reached normal retirement age on the effective date of  
45 retirement, the employer shall certify that no agreement exists to allow the employee  
46 to return to service, including service as or for an independent contractor. Any return  
47 to employment or rendering of any paid service by such employee, including service  
48 as or for an independent contractor, for any employer within two consecutive calendar  
49 months of the effective date of retirement shall render the severance invalid, nullifying  
50 the application for retirement.

51 (2) Normal retirement age, for purposes of the retirement system, shall be the date the  
52 employee has reached 60 years of age, provided that he or she has at least ten years of  
53 creditable service or the age of an employee on the date he or she attains 30 years of  
54 creditable service; provided, however, that the provisions of this paragraph are subject  
55 to change by future legislation in order to comply with federal regulations. For those  
56 members who are in service with the Uniform Division of the Department of Public  
57 Safety as an officer, noncommissioned officer, or trooper, officers and agents of the  
58 Georgia Bureau of Investigation, conservation rangers of the Department of Natural  
59 Resources, or in the Department of Revenue as an alcohol and tobacco officer or agent,  
60 normal retirement age shall be the date the employee has reached 55 years of age,  
61 provided that he or she has at least ten years of creditable service. For purposes of

62 Section 402(l) of the federal Internal Revenue Code regarding distributions from  
 63 governmental plans for health and long-term care insurance for public safety officers,  
 64 normal retirement age shall be the earliest date when the employee has satisfied the  
 65 requirements for a retirement allowance under the retirement system. Except as provided  
 66 under Article 2 of Chapter 1 of this title, a member's right to his or her retirement  
 67 allowance is nonforfeitable upon attainment of normal retirement age.

68 (b)(1) ~~Reserved. As used in this subsection, in addition to the definition provided in Code~~  
 69 ~~Section 47-2-1, the term 'employer' shall also include the retired member's last employer~~  
 70 ~~which reported to the retirement system prior to the member's effective date of retirement.~~  
 71 ~~Such term shall also include the Board of Regents of the University System of Georgia.~~

72 (2) ~~Except as provided in this subsection, if a member accepts paid employment with or~~  
 73 ~~renders services for pay to any employer, including, without limitation, service directly~~  
 74 ~~or indirectly as or for an independent contractor, after his or her retirement, payment of~~  
 75 ~~his or her retirement allowance shall be suspended and no contributions to the retirement~~  
 76 ~~system shall be made on account of such service either by that member or his or her~~  
 77 ~~employer, provided that, upon termination of such service, all rights shall vest in that~~  
 78 ~~member as if he or she had continued his or her option to retire.~~

79 (3) ~~The retirement allowance of a retired member who accepts employment with or~~  
 80 ~~renders services to any employer after his or her retirement shall not be suspended if the~~  
 81 ~~employee has attained normal retirement age or has not been employed by or rendered~~  
 82 ~~service for any employer for at least two consecutive calendar months and performs no~~  
 83 ~~more than 1,040 hours of paid employment or paid service, including, without limitation,~~  
 84 ~~service as or for an independent contractor, for the employer in any calendar year;~~  
 85 ~~provided, however, that return to service as or for an independent contractor shall not~~  
 86 ~~result in the suspension of an employee's retirement allowance if the employing agency~~  
 87 ~~certifies to the board of trustees that:~~

88 (A) ~~The contracting entity has multiple employees;~~

89 (B) ~~The contracting entity has multiple contracts, and the contracts are not limited to~~  
 90 ~~employers, as such term is defined in Code Section 47-2-1; and~~

91 (C) ~~The contractual relationship with the employer was not created to allow a retired~~  
 92 ~~employee to continue employment after retirement in a position similar to the one he~~  
 93 ~~or she held before retirement.~~

94 (4) ~~Any employer that employs a retired plan member shall within 30 days of the~~  
 95 ~~employee's accepting employment notify the board of trustees in writing stating the name~~  
 96 ~~of the plan member and the number of hours the employee is expected to work annually~~  
 97 ~~and shall provide such other information as the board may request. If the retired plan~~  
 98 ~~member performs more than 1,040 hours in any calendar year, the employer shall so~~

99 ~~notify the board of trustees as soon as such information is available. Any employer that~~  
 100 ~~fails to notify the board of trustees as required by this subsection shall reimburse the~~  
 101 ~~retirement system for any benefits wrongfully paid. It shall be the duty of the retired plan~~  
 102 ~~member seeking employment by the employer to notify the employer of his or her~~  
 103 ~~retirement status prior to accepting such position. If a retired plan member fails to so~~  
 104 ~~notify the employer and the employer becomes liable to the retirement system, the plan~~  
 105 ~~member shall hold the employer harmless for all such liability.~~

106 (c) The board of trustees is authorized to provide by rule or regulation for the payment of  
 107 benefits to members or beneficiaries of the retirement system at a time and under  
 108 circumstances not provided for in this chapter to the extent that such payment is required  
 109 to maintain the retirement system as a 'qualified retirement plan' for the purposes of federal  
 110 income tax laws."

### 111 SECTION 3.

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

113 "47-2-112.

114 (a) As used in this Code section, in addition to the definition provided in Code Section  
 115 47-2-1, the term 'employer' shall also include the retired member's last employer which  
 116 reported to the retirement system prior to the member's effective date of retirement. Such  
 117 term shall also include the Board of Regents of the University System of Georgia.

118 (b) If a member who retired under this chapter accepts paid employment with or renders  
 119 services for pay to any employer, including, without limitation, services directly or  
 120 indirectly as or for an independent contractor, after his or her retirement:

121 (1) Such employer shall pay to the retirement system the employer and employee  
 122 contributions required by this chapter for members; and

123 (2) Except as provided in subsection (c) of this Code section, payment of such member's  
 124 retirement allowance shall be suspended.

125 Such member shall not receive creditable service as a result of such employment or  
 126 rendering of services. Upon termination of such employment or rendering of services, all  
 127 rights shall vest in that member as if he or she had continued his or her option to retire.

128 (c) The retirement allowance of a retired member who accepts paid employment with or  
 129 renders services for pay to any employer after his or her retirement shall not be suspended  
 130 if the employee has attained normal retirement age or has not been employed by or  
 131 rendered services for pay to any employer for at least two consecutive calendar months and  
 132 performs no more than 1,040 hours of paid employment or paid service, including, without  
 133 limitation, services directly or indirectly as or for an independent contractor, for the  
 134 employer in any calendar year; provided, however, that return to service directly or

135 indirectly as or for an independent contractor shall not result in the suspension of an  
 136 employee's retirement allowance or the requirement of an employer to pay to the retirement  
 137 system the employer and employee contributions required by this chapter if the employing  
 138 agency certifies to the board of trustees that:

139 (1) The contracting entity has multiple employees;

140 (2) The contracting entity has multiple contracts, and the contracts are not limited to  
 141 employers, as such term is defined in Code Section 47-2-1; and

142 (3) The contractual relationship with the employer was not created to allow a retired  
 143 employee to continue employment after retirement in a position similar to the one he or  
 144 she held before retirement.

145 (d) Any employer that employs a retired plan member shall within 30 days of the  
 146 employee's accepting employment notify the board of trustees in writing stating the name  
 147 of the plan member and the number of hours the employee is expected to work annually  
 148 and shall provide such other information as the board may request. If the retired plan  
 149 member performs more than 1,040 hours in any calendar year, such employer shall so  
 150 notify the board of trustees as soon as such information is available. Any employer that  
 151 fails to notify the board of trustees as required by this subsection shall reimburse the  
 152 retirement system for any benefits wrongfully paid. It shall be the duty of the retired plan  
 153 member seeking employment with the employer to notify the employer of his or her  
 154 retirement status prior to accepting such position. If a retired plan member fails to so notify  
 155 the employer and such employer becomes liable to the retirement system, the plan member  
 156 shall hold such employer harmless for all such liability."

157 **SECTION 4.**

158 Said chapter is further amended by revising subsection (c) of Code Section 47-2-290, relating  
 159 to judges, solicitors, and other employees of state courts subject to merit system, membership  
 160 in retirement system, contributions, and exemptions, as follows:

161 "(c) Reserved. Subsection (b) of Code Section 47-2-110 shall not apply to the judges and  
 162 solicitors of any state court, who may retire at their discretion at any time after becoming  
 163 eligible to retire."

164 **SECTION 5.**

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

170 **SECTION 6.**  
171 All laws and parts of laws in conflict with this Act are repealed.