



## Department of Audits and Accounts

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January 10, 2019

The Honorable William T. Ligon, Jr.  
State Senator  
State Capitol, Room 121-H  
Atlanta, Georgia 30334

SUBJECT: State Auditor's Certification  
Senate Bill (LC 43 1098)

Dear Senator Ligon:

This bill would amend provisions relating to creditable service for members of the Employees' Retirement System of Georgia. Specifically, this bill would allow members to obtain creditable service for prior service covered under the Georgia Defined Contribution Plan. To obtain such creditable service, the member shall:

- Accrue at least five years of membership service in the Employees' Retirement System of Georgia;
- Apply to the Board of Trustees while a contributing member of the System;
- Provide proof of such prior service as a Georgia Defined Contribution member;
- Authorize the transfer of all funds from his or her Georgia Defined Contribution Plan account; and
- Pay to the Board of Trustees an amount determined to be sufficient to cover the full actuarial cost of granting such service after accounting for any transfer of funds from the Georgia Defined Contribution Plan.

This bill authorizes the member to make a one-time payment of the full amount established by the Board within 90 days or elect to make equal payments that would be deducted from the member's earnable compensation over a period of months, not to exceed 120 months. The provisions of this bill specify that a member would receive creditable service on a pro-rata basis if they retire prior to making the full amount of payments determined by the Board. This provision would also apply to any vested member who ceases employment for any reason other than death or retirement. It should be noted that this legislation also includes provisions to allow members to make a one-time payment for any remaining balance owed upon termination of employment. Additionally, this legislation includes provisions relating to the refund of payments for non-vested members who leave employment and have not paid the full amount owed and

Retirement Certification for Senator Ligon  
Senate Bill (LC 43 1098)  
January 10, 2019  
Page 2

provisions for members who fail to make their complete monthly payment in accordance with the established payment schedule.

This is to certify that this bill is a fiscal retirement bill as defined in the Public Retirement Systems Standards Law.

Respectfully,

/s/ Greg S. Griffin

Greg S. Griffin State  
Auditor

GSG/cs