

House Bill 250 (AS PASSED HOUSE AND SENATE)

By: Representatives Weldon of the 3rd, Maxwell of the 17th, Benton of the 31st, Epps of the 140th, Greene of the 149th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 23 of Title 47 of the Official Code of Georgia Annotated, relating to the
2 Georgia Judicial Retirement System, so as to provide that a member who rejected survivor's
3 benefits may elect such benefits by paying the actuarial cost; to provide for a revised
4 survivor's benefit option for persons who become members on or after July 1, 2012; to
5 provide for options; to provide for the event of death or divorce; to provide for the death of
6 an active member; to provide for the payment of the remainder of a member's accumulated
7 contributions; to provide conditions for an effective date and automatic repeal; to repeal
8 conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Chapter 23 of Title 47 of the Official Code of Georgia Annotated, relating to the Georgia
12 Judicial Retirement System, is amended by adding a new Code section to read as follows:

13 "47-23-84.

14 If, upon the deaths of a retired member and, if applicable, a designated survivor, the total
15 monthly benefits paid to the retired member and to any designated survivor do not equal
16 or exceed the retired member's accumulated contributions at the time of his or her
17 retirement, the difference shall be refunded to the person designated in writing by the
18 member or the designated survivor, whichever was the last to receive a monthly retirement
19 benefit under this Code section. If no person has been so designated, the amount shall be
20 paid to the estate of the member or the designated survivor, whichever was the last to
21 receive a monthly retirement benefit under this Code section."

22 **SECTION 2.**

23 Said chapter is further amended by revising Code Section 47-23-105, relating to spouses'
24 benefits, ceasing spouses' benefits, vesting, and designation of survivors benefits, as follows:

25 "47-23-105.

26 (a)(1) Except as otherwise provided by subsection (b) of this Code section, each member
27 of this retirement system shall pay for spouses' benefits an employee contribution of 2 1/2
28 percent of the salary paid to such member. Such contribution shall be in addition to that
29 required under Article 5 of this chapter. The employing unit shall be authorized to deduct
30 monthly the employee contributions required for spouses' benefits. Such contribution
31 shall cease after the member has paid the contribution for a total of 16 years.

32 (2) Upon the death of a member who is subject to this subsection and who has attained
33 a minimum of ten years of creditable service and at least 60 years of age, the surviving
34 spouse of such member shall be entitled to receive for life a monthly sum equal to 50
35 percent of the retirement benefit which the member was receiving at the time of the
36 member's death, if retired at such time, or which would have been payable to the member
37 had the member retired as of the date of the member's death.

38 (3) Upon the death of a member who became a member by operation of Code Section
39 47-23-40 and who has attained a minimum of ten years of creditable service but had not
40 attained age 60 at the time of death, the surviving spouse of such member shall be entitled
41 to receive for life a monthly sum equal to 50 percent of the retirement benefit the member
42 would have received had the member continued in service and retired at age 60.

43 (4) Upon the death of a member other than a member who became a member by
44 operation of Code Section 47-23-40 and who has attained a minimum of ten years of
45 creditable service but had not attained age 60 at the time of death, the surviving spouse
46 of such member shall be entitled to receive for life a monthly sum equal to 50 percent of
47 the retirement benefit the member would have received as if the member were age 60 on
48 the date of death based on the number of years of creditable service the member had on
49 the date of death.

50 (b)(1) Any member of this retirement system shall have the right to reject the spouses'
51 benefits provided by this Code section by notifying the board in writing of such rejection
52 on a form to be supplied by the board within 90 days after becoming a member.

53 (2) Any member who becomes a member of this retirement system by operation of Code
54 Section 47-23-40 who rejected the spouses' benefits provided by this Code section
55 pursuant to paragraph (1) of this subsection may subsequently obtain such benefits by so
56 notifying the board in writing and by tendering all amounts which such member would
57 have paid pursuant to subsection (a) of this Code section if such member had not rejected
58 such benefits, together with regular interest thereon.

59 (3) Any member, other than a member who became a member of this retirement system
60 by operation of Code Section 47-23-40, who rejected the spouses' benefits provided by
61 this Code section pursuant to paragraph (1) of this subsection may subsequently obtain

such benefits by so notifying the board in writing and by tendering to the board of trustees such amount as determined by the actuary as necessary to grant such benefit without creating any accrued actuarial liability as to this retirement system. In order to vest for spouses' benefits, the member must have at least ten years of membership service.

(c) If the spouse of a member dies or if a member ceases to be married, then such member who has elected to obtain spouses' benefits pursuant to this Code section may cease making the employee contributions for spouses' benefits. Such member shall notify the board in writing to cease deducting such employee contributions. Such notice shall be given within 90 days after the date of the death of the spouse or after the date the member ceases to be married; and, upon such notification, no further deductions shall be made. When a member ceases to make such employee contributions, there shall be no return of such contributions previously made by such member.

(d) Any member of this retirement system who rejects spouses' benefits coverage or who ceases such coverage pursuant to subsection (c) of this Code section because such member was unmarried at the time of such rejection, because such member's spouse died, or because such member ceased to be married shall have the option to elect spouses' benefits within 90 days after becoming married or remarried, as the case may be. Any member so electing must make the necessary contributions for spouses' benefits coverage for a total of at least ten years with regular interest thereon in order for such member's spouse to qualify for the spouses' benefits provided for by this Code section.

(e) In order to vest for spouses' benefits, the member must have made the employee contributions for such benefits for at least ten years.

(f) Any member at the time of retirement who has met the conditions of subsection (e) of this Code section may designate a natural person other than his or her spouse to receive a survivors benefit in the same manner and under the same conditions as provided for spouses' benefits; provided, however, that any person so designated shall receive a benefit equal to the normal spouse's benefit actuarially reduced in accordance to such person's and the member's projected life spans. Such actuarial adjustment shall be computed at regular interest upon the basis of the mortality tables and rates of interest last adopted by the board of trustees. Such benefit shall not exceed 50 percent of the member's monthly retirement benefit.

(g) The provisions of this Code section shall apply only to persons who become members of this retirement system prior to July 1, 2012."

SECTION 3.

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

"47-23-105.1.

(a) The provisions of this Code section shall apply only to persons who become members of this retirement system on or after July 1, 2012.

(b) A member may make a one-time election to convert the retirement allowance otherwise payable to him or her into a modified retirement allowance of equivalent actuarial value and designate a natural person to receive a survivors benefit in accordance with one of the options set forth in paragraphs (1), (2), (3), or (4) of this subsection. Such retirement allowance shall be actuarially reduced in accordance to the designated survivor's projected life span. Such actuarial adjustment shall be computed upon the basis of the mortality tables and rates of interest last adopted by the board of trustees Such election may be made only after the member has become eligible to retire and before the first payment of his or her retirement allowance normally becomes due. Such election shall be irrevocable except as otherwise provided in this Code section.

(1) Option one, known as the 100 percent joint and survivor option, shall consist of a reduced retirement allowance which is payable during the life of the retired member and which, upon his or her death, shall be continued at the same rate throughout the life of and paid to the designated survivor.

(2) Option two, known as the 66 2/3 percent joint and survivor option, shall consist of a reduced retirement allowance which is payable during the life of the retired member and which, upon his or her death, shall be continued at the rate of two-thirds the reduced retirement allowance throughout the life of and paid to the designated survivor.

(3) Option three, known as the 50 percent joint and survivor option, shall consist of a reduced retirement allowance which is payable during the life of the retired member and which, upon his or her death, shall be continued at the rate of one-half the reduced retirement allowance throughout the life of and paid to the designated survivor.

(4) Option four, known as the pop-up option, shall be the election of options one, two, or three, with the added provision that in the event the designated survivor predeceases the retired member, the retirement allowance payable to the retired member after the death of the designated survivor shall be equal to the maximum retirement allowance which the retired member would have been entitled to receive under this chapter had such election not been made.

(c) In the event a member is not married at the time he or she retires and the retired member does not elect a survivor's option and such member subsequently marries, the retired member may elect to begin receiving an actuarially reduced benefit of equivalent value and establish on behalf of the newly acquired spouse an option under this Code section. Such election shall be made within six months after the marriage.

(d) In the event a retired member makes an election under subsection (b) of this Code section on behalf of a spouse and such spouse predeceases the retired member and the retired member subsequently remarries, the retired member may elect to begin receiving an actuarially reduced benefit of equivalent value and establish on behalf of a new designated survivor pursuant to an option under this Code section.

(e) In the event a retired member makes an election under subsection (b) of this Code section on behalf of a spouse and a final judgment of complete divorce from the spouse is entered, then:

(1) The retired member may elect to continue the optional allowance with the former spouse designated to receive all amounts and benefits upon the death of the retired member; or

(2) The retired member may revoke the appointment of such spouse as a beneficiary; provided, however, that in such event the retirement benefit received by the retired member shall not increase. Such revocation may be made at any time after the entry of the final judgment of divorce. If the retired member elects to revoke the election, the spouse shall be treated in the same manner as is he or she had predeceased the retired member under subsection (d) of this Code section.

(f) If an active vested member of this retirement system dies and is survived by a legal spouse, such spouse shall receive a benefit as if the member has retired on the date of his or her death and had elected option three."

SECTION 4.

This Act shall become effective on July 1, 2012, only if it is determined to have been concurrently funded as provided in Chapter 20 of Title 47 of the Official Code of Georgia Annotated, the "Public Retirement Systems Standards Law"; otherwise, this Act shall not become effective and shall be automatically repealed in its entirety on July 1, 2012, as required by subsection (a) of Code Section 47-20-50.

SECTION 5.

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