

WITHDRAWN

The House Committee on Retirement offers the following substitute to SB 240:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 3 of Title 47 of the Official Code of Georgia Annotated, relating to the
2 Teachers' Retirement System of Georgia, so as to provide that new employees of charter
3 schools are ineligible for membership in the retirement system; to provide for conditions and
4 limitations; to provide for construction; to amend Chapter 18 of Title 47 of the Official Code
5 of Georgia Annotated, relating to social security coverage for employees of the state and its
6 political subdivisions, so as to determine eligibility for social security coverage for all
7 employees and positions eligible for membership in the Public School Employees Retirement
8 System; to provide for reporting of such information; to prohibit the future approval of
9 certain plans; to provide for related matters; to repeal conflicting laws; and for other
10 purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**

13 Chapter 3 of Title 47 of the Official Code of Georgia Annotated, relating to the Teachers'
14 Retirement System of Georgia, is amended by adding a new Code section to read as follows:

15 "47-3-69.

16 (a) No person hired on or after June 1, 2023, who would otherwise become a member of
17 this retirement system as an employee of a charter school established pursuant to Article
18 31 or 31A of Chapter 2 of Title 20, shall become a member of this retirement system as a
19 result of such employment, provided that the operator or management company of such
20 charter school offers an alternative retirement plan to such employee.

21 (b) The provisions of this Code section shall not affect any employee of a charter school
22 established pursuant to Article 31 or 31A of Chapter 2 of Title 20, who, prior to June 1,
23 2023, was a member of this retirement system as a result of such employment.

24 (c) The provisions of this Code section shall not be construed to support eligibility for or
25 allow membership in this retirement system to any person or class of persons not otherwise
26 eligible for membership in this retirement system."

27 **SECTION 2.**

28 Chapter 18 of Title 47 of the Official Code of Georgia Annotated, relating to social security
29 coverage for employees of the state and its political subdivisions, is amended by revising
30 Code Section 47-18-41, relating to plans for old-age, survivors, and disability insurance
31 coverage submitted by state political subdivisions, contents, approval, and contributions
32 required, as follows:

33 "47-18-41.

34 (a) Each political subdivision of the state is authorized to submit for approval by the state
35 agency a plan for extending the benefits of Title II of the Social Security Act to employees
36 of such political subdivision. The adjutant general, acting on behalf of the state, is
37 authorized to submit and enter into a similar plan with the state agency for extending such
38 benefits to the civilian employees of the National Guard units of this state, who are, for the
39 purposes of this chapter, deemed to be a separate coverage group as provided for in the
40 federal Social Security Act; provided, however, that nothing contained in this chapter shall

be construed to deem or designate the civilian employees of the National Guard units of this state to be employees of this state. Each such plan and any amendments thereof shall be approved by the state agency if it finds that such plan, as amended, is in conformity with such requirements as are provided in regulations of the state agency, except that no such plan shall be approved unless:

(1) It is in conformity with the requirements of the Social Security Act and with the agreement entered into under Code Section 47-18-40;

(2) It provides that all services which constitute employment and are performed in the employ of a political subdivision by employees thereof shall be covered by the plan except that it may exclude services performed by individuals to whom Section 218(c)(3)(C) of the Social Security Act is applicable;

(3) It specifies the sources from which the funds necessary to make the payments required by ~~paragraph (1) of subsection (c) of this Code section and by subsection (d) of this Code section~~ are expected to be derived and contains reasonable assurance that such sources will be adequate for such purpose;

(4) It provides for such methods of administration of the plan by the political subdivision as are found by the state agency to be necessary for the proper and efficient administration of the plan;

(5) It provides that the political subdivision will make such reports in such form and containing such information as the state agency may from time to time require and will comply with such provisions as the state agency or the secretary of health and human services may from time to time find necessary in order to assure the correctness and verification of such reports; and

(6) It authorizes the state agency to terminate the plan in its entirety, in the discretion of the state agency, if it finds that there has been a failure to comply with any provision contained in such plan, such termination to take effect at the expiration of such notice and on such conditions as may be provided by regulations of the state agency and which are

consistent with the Social Security Act; provided, however, that such conditions as may be provided by the regulations of the state agency for such termination shall assure that the state shall not incur any debt or loss in relation to any amounts due the state from other provisions of the Social Security Act, including grants in aid for public assistance and for maternal and child welfare.

(b) The state agency shall not finally refuse to approve a plan submitted by a political subdivision under subsection (a) of this Code section and shall not terminate an approved plan without reasonable notice and opportunity for hearings to ~~the~~ such political subdivision ~~affected thereby~~.

(c) Each political subdivision ~~as to which a~~ that has a plan ~~has been~~ approved under this Code section shall pay to the federal Social Security Administration contributions in the amounts and at the rates specified in the applicable agreement entered into by the state agency under Code Section 47-18-40.

(d) By September 1, 2023, the state agency shall identify each political subdivision of this state that does not extend coverage for the benefits of Title II of the Social Security Act to its employees or positions which are eligible for membership in the Public School Employees Retirement System established under Chapter 4 of this title. The state agency shall issue a report to the chairpersons of the House Retirement Committee and the Senate Committee on Retirement that contains the names of all such political subdivisions and shall provide the total number of employees per political subdivision who do not have such coverage, as well as information regarding the retirement plan, if any, under which such employees are covered as an alternative to Social Security.

(e) On and after September 1, 2023, to the full extent allowed under federal law, the state agency shall not approve any political subdivision's plan that does not extend coverage for the benefits of Title II of the Social Security Act to its employees or positions which are eligible for membership in the Public School Employees Retirement System established under Chapter 4 of this title."

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SECTION 3.

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