



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

March 27, 2023

The Honorable Jan Jones
Speaker Pro Tempore
State Capitol, Room 340
Atlanta, GA 30334

SUBJECT: State Auditor's Certification
Substitute to Senate Bill 240 (LC 43 2861S)

Dear Speaker Pro Tempore Jones:

This substitute bill would revise laws relating to social security coverage for employees of the state and political subdivisions of the state. Specifically, this bill would require the Employees' Retirement System (ERS) to 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 (PSERS). The Employees' Retirement System would be required to submit a report by September 1, 2023 to the Chairpersons of the House and Senate Retirement Committees. This report must include the names of all political subdivisions that do not extend this benefit, the number of people impacted, and information regarding any alternative plan that may be offered to such employees in lieu of social security.

Subject to federal law, this substitute bill would also prohibit the ERS from approving plans for any political subdivisions that do not extend social security benefit coverage to employees or positions which are eligible for membership in the PSERS. This would apply to any plans which require approval on and after September 1, 2023.

This substitute bill would amend provisions relating to membership in the Teachers Retirement System of Georgia as it relates to certain charter school employees. Specifically, this bill would prohibit employees of charter schools from joining the Teachers Retirement System if the nonprofit governing board of the charter school elects to provide the employees with an alternative retirement plan. This would only apply to persons hired on or after June 1, 2023.

Furthermore, this substitute bill would amend provisions relating to the Public Retirement Systems Investment Authority Law. Current law authorizes most eligible large retirement systems to invest up to 10 percent of their assets in alternative investments. However, the Employees' Retirement

System and the Teachers Retirement System are limited to a five percent investment in alternative investments. If this legislation is enacted, the limitation currently placed on the Employees' Retirement System would be removed and the System would be authorized to invest up to 10 percent of their assets in alternative investments.

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

Respectfully,

A handwritten signature in blue ink, appearing to read "Greg S. Griffin".

Greg S. Griffin
State Auditor

GSG/cs