

ADOPTED

Senators Walker of the 20th, Anavitarte of the 31st, Dolezal of the 27th, Robertson of the 29th, Hufstetler of the 52nd, and others offered the following amendment #1:

Amend the substitute to SB 240 (LC 43 2861S) by replacing lines 1 through 15 with the following:

To amend Chapter 18 of Title 47 of the Official Code of Georgia Annotated, relating to social security coverage for employees of the state and its political subdivisions, so as to require certain social security coverage for all employees of a political subdivision who are members of the Public School Employees Retirement System; to prohibit the approval of certain plans; to provide for reporting; to amend Article 7 of Chapter 20 of Title 47 of the Official Code of Georgia Annotated, the "Public Retirement Systems Investment Authority Law," so as to provide for a fiduciary duty to invest retirement assets solely in the financial interests of participants and their beneficiaries; to provide for duties; to provide for delegation of duties; to provide for objectives; to provide for proxy voting; to provide for conformance; to provide for a definition; to provide for related matters; to repeal conflicting laws; and for other purposes.

By deleting lines 18 through 33.

By replacing lines 101 through 118 with the following:

SECTION 2.

Article 7 of Chapter 20 of Title 47 of the Official Code of Georgia Annotated, the "Public Retirement Systems Investment Authority Law," is amended by adding a new Code section to read as follows:

20 "47-20-88.

21 (a) As used in this Code section, the term 'fiduciary' means any retirement system
22 administration or any person that with respect to any retirement system subject to the
23 provisions of this chapter:

24 (1) Exercises any discretionary authority or control relative to the management or
25 disposition of a retirement system's assets;

26 (2) Renders investment advice for a fee or other compensation, whether directly or
27 indirectly, with respect to any moneys or other property of a retirement system, or has
28 any authority or responsibility to do so; or

29 (3) Has any discretionary authority or control in the management or administration of the
30 retirement system.

31 (b) With regard to the investments and assets of a retirement system, each fiduciary:

32 (1) Shall discharge its duties:

33 (A) Solely in the interests of plan participants and their beneficiaries;

34 (B) For the exclusive purpose of providing benefits to plan participants and their
35 beneficiaries; and

36 (C) In accordance with this Code section first and with the laws, resolutions,
37 ordinances, and plan documents appurtenant to such retirement system second;

38 (2) Shall only make investments with care, skill, prudence, and diligence under the
39 circumstances then prevailing that a prudent expert acting in like capacity and familiar
40 with such matters would use in the conduct of an enterprise of a like character and with
41 like aims;

42 (3) Shall diversify the investments of the plan so as to minimize the risk of large losses,
43 unless doing so is clearly not prudent under the circumstances; and

44 (4) Shall not subordinate the interests of the participants and their beneficiaries or
45 sacrifice investment returns or accept increased investment risks in the promotion of any

nonpecuniary interests. Such nonpecuniary interests shall include, but shall not be limited to, the furtherance of any social, political, or ideological interests.

(c) A fiduciary may delegate investment management responsibilities to qualified professional investment personnel; provided, however, that the fiduciary or fiduciaries making such delegation shall still be liable for a breach of its fiduciary duty if such delegation is shown to have been based upon influences other than the belief that the plan was best served by such delegation.

(d) The investment objectives of a retirement system shall be to provide the greatest possible long-term benefits to members of the retirement system by maximizing the total rate of return on investment within prudent limits of risk for a retirement fund of its type and consistent with any investment return requirement assumed by the actuaries in determining the present and future soundness of the fund.

(e) Each fiduciary shall vote and execute all voting proxies:

(1) Solely and exclusively in the best economic interests or rights of the retirement system;

(2) In favor of confidential proxy balloting; and

(3) In support of management unless, in the opinion of the fiduciary, such a vote would be detrimental to the best economic interests or rights of the retirement system.

(f) By November 1, 2023, any retirement system subject to the provisions of this chapter shall fully adhere to this Code section and conform, as necessary, any plan documents or contracts or local laws, ordinances, or resolutions that are not in compliance with this Code section."

SECTION 3.