



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

February 20, 2024

The Honorable John Carson
Chairman, House Retirement Committee
State Capitol, Room 401-E
Atlanta, **GA 30334**

SUBJECT: State Auditor's Certification
Substitute to House Bill 481 (LC 56 0143S)

Dear Chairman Carson:

This substitute bill would amend provisions relating to the Public Retirement Systems Investment Authority Law. Specifically, this bill defines the word 'fiduciary' to mean any retirement system or administrator that:

- Exercises any discretionary authority or control relative to the management or disposition of a retirement system's assets;
- Renders investment advice for a fee or other compensation; or
- Has discretionary authority or control in the management or administration of a retirement system.

Under the provisions of this legislation, fiduciaries would be required to execute their duties solely in the best interest of the plan members and beneficiaries. This bill would allow fiduciaries to delegate investment management decisions to qualified professional investment personnel. However, the fiduciary is still liable if it is determined that investment decisions were not made in the best financial interest of the plan members and beneficiaries. Under the provisions of this substitute bill, each fiduciary shall vote and execute all voting proxies solely and exclusively in the best economic interest or rights of the retirement system, in favor of confidential proxy balloting, and in support of management unless, in the opinion of the fiduciary, such vote would be detrimental to the best economic interest or rights of the retirement system.

Furthermore, this substitute bill would require all retirement systems to fully comply with the provisions of this bill by November 1, 2024, and must conform any plan documents, contracts, local laws, ordinances, or resolutions that are not in compliance with the provisions of this bill. It should be noted that the provisions of this bill would apply to **all** retirement systems that receive public funds.

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

Respectfully,

Greg S. Griffin
State Auditor

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