

The Senate Committee on Retirement offered the following substitute to SB 143:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 6 of Chapter 7 of Title 47 of the Official Code of Georgia Annotated,
2 relating to retirement, retirement allowances, disability benefits, and death benefits relative
3 to the Georgia Firefighter's Pension Fund, so as to provide for certain members to retire at
4 age 50; to provide for certain members to continue working while receiving retirement
5 benefits; to provide for certain members who have retired and reentered employment to
6 accrue creditable service without a seven-year minimum; to amend Article 7 of Chapter 20
7 of Title 47 of the Official Code of Georgia Annotated, the "Public Retirement Systems
8 Investment Authority Law," so as to provide for an exception for the Georgia Firefighters'
9 Pension Fund to invest in assets rated below investment grade; to provide for a maximum
10 percentage of assets to be invested in such assets; to provide conforming changes; to provide
11 for related matters; to provide conditions for an effective date and automatic repeal; to repeal
12 conflicting laws; and for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

14

SECTION 1.

15 Article 6 of Chapter 7 of Title 47 of the Official Code of Georgia Annotated, relating to
16 retirement, retirement allowances, disability benefits, and death benefits relative to the
17 Georgia Firefighter's Pension Fund, is amended in Code Section 47-7-100, relating to
18 eligibility for full pension benefits, eligibility for partial benefits, optional pension benefits,
19 vesting of rights to pension benefits, and early retirement provisions, by revising
20 subsections (b) through (f) as follows:

21 ~~“(b)(1) Any eligible member who has attained the age of 55 years and who terminates~~
22 ~~service as a firefighter or volunteer firefighter after at least 25 years of service, upon~~
23 ~~application to and approval by the board, shall have a vested right in an amount equal to~~
24 ~~the maximum monthly retirement benefit in effect on the date the board approves such~~
25 ~~application. Such benefits shall commence on the date of the member's termination of~~
26 ~~service. Any eligible member who has attained the age of 50 and whose age in years and~~
27 ~~creditable service in years when combined equal at least 80, upon application to and~~
28 ~~approval by the board, shall be eligible for a monthly benefit equal to such member's~~
29 ~~vested monthly benefit pursuant to subsection (c) of this Code section in effect on the~~
30 ~~date the board approves such application, subject to the provisions of subsection (f) of~~
31 ~~this Code section. Such benefits shall commence on the date of approval by the board.~~
32 ~~It shall not be a requirement that a retired member terminate his or her employment or~~
33 ~~volunteer service to receive retirement benefits under this paragraph. A member who~~
34 ~~retires under this paragraph and who chooses to remain employed or continue his or her~~
35 ~~volunteer service while receiving retirement benefits shall not pay monthly dues nor shall~~
36 ~~such member be eligible to earn or buy additional creditable service.~~

37 (2) Any eligible member who terminates service as a firefighter or volunteer firefighter
38 after 25 years of service, but before reaching the age of 55 years, may, upon ~~filing an~~
39 ~~application with the board~~ application to and approval by the board, cease payment of
40 such member's monthly dues following such termination of service and, upon reaching

41 the age of 55 years and being otherwise eligible, shall be paid a monthly benefit equal to
42 the maximum monthly retirement benefit in effect on the date such member attains the
43 age of 55 years.

44 (3) Any eligible member who terminates service after at least 15 years of service, upon
45 application to and approval by the board, shall be eligible for a monthly benefit equal to
46 such member's vested monthly benefit pursuant to subsection (c) of this Code section in
47 effect on the date of such termination of service, subject to the provisions of
48 subsection (f) of this Code section. Such benefits shall become payable when the
49 member reaches 55 years of age or when such member terminates his or her employment,
50 whichever is later.

51 (c) Any eligible member who accrues at least 25 years of creditable service shall have a
52 vested right in and to a monthly benefit equal to the maximum monthly retirement benefit
53 in effect on the applicable date provided for in subsection (b) of this Code section. Any
54 eligible member who ~~terminates service~~ has accrued at least 15 years of creditable service
55 as a firefighter or volunteer firefighter after at least 15 years of service, upon application
56 to and approval by the board, shall have a vested right in and to a monthly benefit payable
57 for the member's lifetime equal to a pro rata amount of the maximum monthly retirement
58 benefit provided in subsection (b) of this Code section in effect on the applicable date of
59 such termination of service provided for in subsection (b) of this Code section, which
60 amount shall be determined by the ratio of years served, being not less than 15 nor more
61 than 25, to the full 25 year service retirement. Such benefits shall become payable when
62 the member reaches 55 years of age or when he or she terminates employment as a
63 firefighter or volunteer firefighter, whichever is later.

64 (d) At any time prior to approval by the board of an application for retirement, a member
65 may elect or may revoke a previous election and make a new election to have monthly
66 benefits payable under one of the options set forth in this subsection, in lieu of the benefits
67 payable under subsection (b) ~~or (c)~~ of this Code section. The benefits shall be paid in

68 accordance with the terms of the option elected. Election of any option shall be made by
69 the member on forms provided by the board and shall be subject to approval by the board,
70 which approval shall not be unreasonably withheld. No optional election is available for
71 payment of disability benefits.

72 (1) Option A, the joint and survivor option, shall consist of a decreased retirement
73 benefit which shall be payable during the joint lifetime of both the member and the
74 member's spouse and which shall continue after the death of the member during the
75 lifetime of the spouse in the amount chosen by the member, which amount shall be 100
76 percent, 75 percent, 66 2/3 percent, or 50 percent of the member's benefits. Any member
77 who has completed 15 years of creditable service may elect that, in the event of the
78 member's death prior to receiving any retirement benefits under this chapter, the
79 member's spouse shall receive decreased retirement benefits in the amount elected by the
80 member, which amount shall be 100 percent, 75 percent, 66 2/3 percent, or 50 percent of
81 the benefits to which the member would have been entitled based upon the member's
82 creditable service as of the time of the member's death. The decreased retirement benefits
83 payable to the spouse of a member who dies prior to receiving any retirement benefits
84 under this chapter shall commence on the date the member would have become 55 years
85 of age and shall not be payable unless, prior to the member's death, the member had
86 elected such benefits in the form and manner prescribed by the board and had filed such
87 election with the board.

88 (2) Option B, the ten years' certain and life option, shall consist of a decreased retirement
89 benefit payable to the member during the member's lifetime; and, in the event of the
90 member's death within ten years after the member's retirement, the same monthly benefits
91 shall be payable to the member's selected beneficiary, or, if the member so elects, the
92 total monthly benefit may be divided equally among up to five selected beneficiaries, for
93 the balance of such ten-year period.

94 (3) If a member selects Option A, then, after the approval of the application for
95 retirement, the following provisions apply:

96 (A) If the member's spouse shall predecease the member, the member may, in writing
97 on forms prescribed by the board and subject to approval by the board, revoke Option
98 A and thereafter receive during the member's lifetime a monthly retirement benefit
99 commencing on the date on which the board approves such revocation, but not for any
100 period prior to such approval, equal to the maximum monthly benefit which would have
101 been payable to him had such option not been exercised;

102 (B) If there is entered a final judgment of complete divorce between the member and
103 the member's spouse, the member may, in writing on forms prescribed by the board and
104 subject to approval by the board, revoke Option A and thereafter receive during the
105 member's lifetime a monthly retirement benefit commencing on the date on which the
106 board approves such revocation, but not for any period prior to such approval, equal to
107 the maximum monthly benefit which would have been payable had such option not
108 been exercised; and

109 (C) If, following the death of the member's spouse or the entry of a final judgment of
110 divorce between the member and the member's spouse, the member remarries, the
111 member may, in writing on forms prescribed by the board and subject to approval by
112 the board, elect Option A with respect to the member's new spouse. The joint and
113 survivor benefit shall be determined as of the date of the election.

114 (4) The amount of any optional retirement benefit set forth in this subsection shall be the
115 actuarial equivalent of the amount of the benefit that would otherwise be payable to the
116 member under subsection (b) ~~or (c)~~ of this Code section based upon the interest rate and
117 mortality basis approved from time to time by the board, the age of the member, and, if
118 applicable, the age of his spouse as of the date benefits are to commence or as of the date
119 benefits would have commenced if the member had retired after first becoming eligible

120 for full benefits, whichever is earlier, but the optional benefits available under Option A
121 shall be calculated without regard to the provisions of paragraph (3) of this subsection.

122 (e)(1) Any eligible member who retires after July 1, 1984, shall be entitled to an increase
123 in the maximum monthly retirement benefit in effect at the time of his or her retirement
124 under this Code section equal to 1 percent of the monthly retirement benefit for which the
125 member would have been otherwise eligible for each full year of creditable service while
126 a member of the fund ~~as a firefighter or volunteer firefighter~~ in excess of 25 years of
127 creditable service.

128 (2) Any eligible member who retires after July 1, 2002, shall be entitled to an increase
129 in the maximum monthly retirement benefit in effect at the time of his or her retirement
130 under this Code section equal to 2 percent of the monthly retirement benefit for which the
131 member would have been otherwise eligible for each full year of creditable service while
132 a member of the fund ~~as a firefighter or volunteer firefighter~~ in excess of 25 years of
133 creditable service. Such increase shall be the total increase allowed by this subsection.

134 (f) Any eligible member who would be entitled to the commencement of retirement
135 benefits upon reaching age 55 under subsection (b) or (c) of this Code section may elect
136 to ~~retire~~ receive such benefit after reaching the age of 50 but before reaching the age of 55,
137 ~~and immediately commence the drawing of retirement benefits and in that such~~ event the
138 member shall be eligible ~~immediately upon retirement~~ for a reduced monthly pension
139 benefit in an amount determined by multiplying the benefit for which the member would
140 have been otherwise entitled under subsections (b), ~~(c)~~, and (e) of this Code section had the
141 member delayed retirement or the commencement of benefits until the member reached age
142 55, such benefit to be determined as of the date of the member's actual retirement or first
143 receipt of the monthly retirement benefit by the factor set forth below:

144	If the Member's Age At Retirement	The Early Retirement
145	(determined by the member's age at the	Factor Is:
146	member's immediately preceding	
147	birthday) Is:	
148	50	.70
149	51	.76
150	52	.82
151	53	.88
152	54	.94

153 The option available under this subsection may also be exercised by a surviving spouse
 154 who is the beneficiary of an Option A election with respect to the benefits payable to the
 155 spouse in the event the member dies prior to receiving any benefits and would have been
 156 able to exercise the option available under this subsection."

157 **SECTION 2.**

158 Said article is further amended in Code Section 47-7-101, relating to eligibility for retirement
 159 benefits, withdrawal of application for benefits before approval, and reemployment, by
 160 revising subsection (b) as follows:

161 "(b) Any person who again becomes a paid employee of a fire department or of a volunteer
 162 fire department after having been placed on retirement or disability under Code Section
 163 47-7-100 or 47-7-102 shall immediately notify the executive director of such
 164 reemployment. Except as provided in paragraph (1) of subsection (b) of Code Section
 165 47-7-100, retirement ~~Retirement~~ benefits being paid to such person shall be suspended as
 166 of the date of such reemployment and shall remain suspended until such reemployment
 167 terminates at which time the payment of retirement benefits shall be resumed in the amount
 168 to which the person was eligible at the time of reemployment. A retired member who has
 169 retired under paragraph (2) or (3) of subsection (b) of Code Section 47-7-100, may choose

170 to pay monthly dues and earn creditable service during the period of reemployment.
 171 Disability benefits being paid to any such person shall be terminated as of the date of such
 172 reemployment. ~~Within six months of the commencement of reemployment, any such~~
 173 ~~person who at the time of application otherwise meets the requirements for membership~~
 174 ~~may, by application in the manner provided by this chapter, become a member of the fund.~~
 175 ~~In the event the application is granted, such member, upon meeting the requirements~~
 176 ~~provided by law, shall be entitled to all benefits provided for in Code Section 47-7-100, but~~
 177 ~~the amount of monthly retirement or disability benefits payable to such member shall not~~
 178 ~~exceed the amount of the monthly benefit which would be payable to such member had~~
 179 ~~such subsequent retirement become effective at the time of the member's prior retirement,~~
 180 ~~unless after such reemployment the member shall have acquired not less than seven years'~~
 181 ~~creditable service as a member of the fund."~~

182

SECTION 3.

183 Article 7 of Chapter 20 of Title 47 of the Official Code of Georgia Annotated, relating to the
 184 "Public Retirement Systems Investment Authority Law," is amended in Code Section
 185 47-20-83, relating to certificated or uncertificated forms of investment and real estate
 186 investments, by adding a new paragraph to subsection (b) to read as follows:

187 "(3) Notwithstanding the provisions paragraphs (1), (7), and (9) of subsection (a) of this
 188 Code section, the Georgia Firefighters' Pension Fund may invest up to 10 percent of the
 189 total assets of its fund in investments in forms of assets rated below investment grade by
 190 nationally recognized rating agencies."

191

SECTION 4.

192 This Act shall become effective on July 1, 2026, only if it is determined to have been
 193 concurrently funded as provided in Chapter 20 of Title 47 of the Official Code of Georgia
 194 Annotated, the "Public Retirement Systems Standards Law"; otherwise, this Act shall not

195 become effective and shall be automatically repealed in its entirety on July 1, 2026, as
196 required by subsection (a) of Code Section 47-20-50.

197

SECTION 5.

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