

# 2011 Legislative Summary

Employees' Retirement System of Georgia

August 8, 2011

Page 1

## Inside This Update

- 1 2011 Enacted Legislation
- 1 Carry Over Bills
- 4 Failed Bills

For More Information on Legislation, please visit:  
[www.ers.ga.gov](http://www.ers.ga.gov)

## Contact Us

**Pamela L. Pharris**  
Director, ERSGA  
404-603-5602  
[pamela.pharris@ers.ga.gov](mailto:pamela.pharris@ers.ga.gov)

**Jim Potvin**  
Deputy Director, ERSGA  
404-603-5605  
[jim.potvin@ers.ga.gov](mailto:jim.potvin@ers.ga.gov)

**Kelly L. Moody**  
Legislative Liaison and  
Assistant Director, ERSGA  
404-603-5646  
[kelly.moody@ers.ga.gov](mailto:kelly.moody@ers.ga.gov)

**Danise Thaxton**  
Executive Assistant to the  
Director, ERSGA  
404-603-5602  
[danise.thaxton@ers.ga.gov](mailto:danise.thaxton@ers.ga.gov)

## 2011 Enacted Legislation

### **HB 144 (Act 121) - Retirement and pensions; revise, modernize, and correct errors or omissions**

This bill corrects typographical, stylistic, and other errors and omissions in Title 47.

**Effective Date: 5/11/11**

**Signed by the Governor on: 5/11/11**

## *Bills carried over to the 2012 Session*

### **HB 183 - General Assembly members; members of Georgia Legislative Retirement System; provisions**

This legislation requires mandatory membership in the Legislative Retirement System (LRS) beginning July 1, 2012 and allows an irrevocable election for those who previously declined membership. Prior service may be purchased provided the member pays full actuarial cost.

As part of clean-up legislation for compliance purposes, this bill also amends statute to make it mandatory that employers report rehire of LRS retirees.

### **HB 236 - Judges and court employees; new employees not Retirement System of Georgia members; provide**

This bill allows Tax Commissioners, tax collectors, tax receivers and their employees, who first or again take office or become employed after July 1, 2012 to have the option to become members of the Employees' Retirement System (ERS) or either a local pension plan. Membership would be prohibited in both plans. If membership in ERS is designated, the County will then be responsible for paying employer contributions for such member.

### **HB 246 - Employees' Retirement System of Georgia; members not receive 50 percent increase; provisions**

This bill prohibits any Employees' Retirement System (ERS) or Teachers Retirement System (TRS) employee from receiving an increase in compensation greater than 50% of their salary in any calendar year. Compensation includes both salary increases and incentive bonuses.

## ***2011 Legislative Summary - Continued***

### **HB 250 - Georgia Judicial Retirement System; revised survivor's benefit option; provisions**

Currently, JRS members must elect spousal coverage upon becoming a member of the Judicial Retirement System (JRS) or upon marriage. The member pays an additional 2.5% each year for 16 years for this coverage.

This bill allows for new members as of July 1, 2012, to pay normal employee contributions as required by the actuary, and then at retirement, elect an option to cover a spouse by taking a reduced retirement allowance. Such a change allows for equity to the current Employees' Retirement System (ERS) spousal coverage.

Current JRS members that have at least ten years of service, who at time of enrollment rejected spousal benefits, may pay the full actuarial cost for these benefits and may choose to cover their spouse according to the previous plan design or may choose the new option to cover a spouse by taking a reduced retirement allowance.

### **HB 293 - Retirement bills; define a certain term**

This bill amends the definition of a fiscal retirement bill in the Public Retirement Systems Standards to include any bill or amendment which grants a public retirement system an insurable interest in active or retired members, or authorizes or directs a public retirement system to expend or obligate funds to purchase life insurances on its members. A bill of such nature will be required to go through the Retirement Committee.

### **HB 295 - Georgia State Employees Pension and Savings Plan; transfer of accrued benefit; provide**

This bill provides for transfers between the GSEPS plan under the Employees' Retirement System (ERS) and the Teachers Retirement System (TRS) with retirement benefits being calculated on a pro-rated basis.

An individual could have nine years of TRS service and then transfers to the ERS Georgia State Employees' Pension and Savings Plan (GSEPS) plan and loses the benefit they had under TRS. TRS is a 2% formula and ERS is now a 1% formula. This was an oversight when the new GSEPS plan was created and passed by the legislators in 2009, which creates a windfall situation for some and a huge loss for others.

### **HB 297 - Retirement and pensions; public systems prohibited from expending fund for certain purposes; provide**

This bill prevents any public retirement system from having an insurable interest in the system's active or retired members unless benefits are paid to a designated beneficiary or the member's estate.

### **HB 308 - Public retirement systems; duties of boards of trustees; provide**

Prior to July 1, 2010, boards of trustees of public retirement systems were subject to applicable provisions in Title 53 dealing with Common Law fiduciary duties. However, an oversight occurred when the statute was amended last session. This bill adds back the needed references concerning Common Law fiduciary duties for boards of trustees of public retirement systems.

### **HB 371 - Insurable interest; state entity; not fund life insurance on public officers or employees; provide**

This bill prevents any State or political subdivision of the State from having an insurable interest in its active or retired public employees or officers unless benefits are paid to a designated beneficiary or the member's estate.

## ***2011 Legislative Summary - Continued***

### **HB 473 - Public School Employees Retirement System; increase employee contribution; provide**

This bill increases the monthly employee contribution from \$4.00 to \$10.00 for new members of the Public School Employees' Retirement System (PSERS) beginning July 1, 2012. Provisions provide for the minimum monthly retirement benefit for PSERS members to increase from \$12.00 to \$14.75 for each year of creditable service. The maximum monthly retirement benefit will increase from \$15.00 to \$16.00 for each year of creditable service. The benefit increases are to the extent that funds are appropriated by the General Assembly. Benefit increases will be payable to current and future PSERS retirees.

### **HB 533 - Judicial Retirement System; certain judicial officers transfer funds; provide**

This bill allows any superior court judge, juvenile court judge, or district attorney who is an active member of the Judicial Retirement System (JRS) that was previously a member of the Employees' Retirement System (ERS) to transfer ERS service to JRS by December 31, 2012. New JRS members will have up to 90 days after employment to request such a service transfer.

### **HB 542 - Employees' Retirement System of Georgia; transfer service credit; provide**

This bill allows a member of the Employees' Retirement System of Georgia (ERS) who was previously an active member of the Judicial Retirement System (JRS) to transfer JRS service to ERS by December 31, 2012.

If a member has withdrawn his/her employee contributions from JRS, the member must provide notice to the Board of Trustees requesting a transfer to ERS. At that time, the member must pay the Board the total of such contributions, with regular interest thereon, and employee and employer contributions from JRS will be transferred to ERS.

### **SB 137 - Retirement; update certain cross-references to Chapter 11 of Title 15; provide for conditions**

This bill updates references in Title 47 relating to the Juvenile Code effective July 1, 2013. The Juvenile Code is being updated, and this legislation is a companion bill to the update.

### **SB 246 - Retirement; provide an increase in the employee contribution; retirement benefit; conditions**

This bill increases the monthly employee contribution from \$4.00 to \$10.00 for new members of the Public School Employees' Retirement System (PSERS) beginning July 1, 2012. Provisions provide for the minimum monthly retirement benefit for PSERS members to increase from \$12.00 to \$14.75 for each year of creditable service. The maximum monthly retirement benefit will increase from \$15.00 to \$16.00 for each year of creditable service. The benefit increases are to the extent that funds are appropriated by the General Assembly. Benefit increases will be payable to current and future PSERS retirees.

### **SB 286 - Retirement; tax commissioner or an employee of any such officer; membership; Employees' Retirement System of Georgia**

This bill will close new ERS membership for Tax Commissioners, tax collectors, tax receivers and their employees for those first or again employed on or after July 1, 2012.

## *2011 Legislative Summary - Continued*

### *Bills that failed to carry over to the 2012 Session*

#### **HB 344 - Georgia Judicial Retirement System; creditable service for prior service; provide**

This bill allows any Juvenile Court Judge that is an active member of the Judicial Retirement System (JRS) to purchase up to five years of creditable service for past service as a full-time county Associate Juvenile Court Judge who was not eligible to participate or did not vest in a local retirement plan.

This would be a significant change to JRS, as it adds a provision to allow Juvenile Court Judges to receive creditable service for county Associate Juvenile Court Judge service. Currently, Associate Juvenile Court Judges are not allowed to be members of JRS, as they are viewed as county employees.

#### **HB 664 - Georgia Charter Schools Commission; exclude Retirement System membership; provisions**

This bill includes Commission Charter Schools in the definition of a public school and also allows Commission Charter Schools to make an irrevocable election to exclude public school employees from membership in the Public School Employees Retirement System (PSERS) beginning 7/1/2012.

The decision to exclude such public school employees is made by the Commission at time of approval of a new Commission Charter School. Commission Charter Schools operating prior to 7/1/2012, may elect not to participate in PSERS and the Board of Trustees shall refund employer and employee contributions, together with 4% interest.

---