

# 2021 Legislative Summary

## 2021 Enacted Legislation

June 15, 2021

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### **2021 Enacted Legislation**

#### **HB 81 (Act 305) – General appropriations; State Fiscal Year July 1, 2021 - June 30, 2022**

The Fiscal Year 2022 Appropriations Act provides a benefit multiplier increase from \$15.50 to \$15.75 for certain Public School Employees Retirement System members effective 7/1/2021.

**Effective Date: 7/1/2021**  
**Signed by Governor: 5/10/2021**

#### **HB 173 (Act 271) – Retirement and pensions; eligible large retirement system's assets that may be invested in alternative investments; increase percentage**

This bill provides changes to the process of selecting ERS Board members. Specifically, this bill would require that for the two Board positions that are members who have at least five (5) years of creditable service, the voting trustees to review and consider any individuals nominated by any organization of state retirees consisting of at least 1,000 members.

It also increases the allowable percentage of assets an eligible large retirement system may invest in alternative investments from 5% to 10%. This would exclude the Employees' Retirement System of GA (ERSGA) and Teachers Retirement System (TRS) whose maximum allowable percentage to invest in alternative assets cannot exceed 5%.

**Effective Date: 7/1/2021**  
**Signed by Governor: 5/10/2021**

## ***Fiscal Bills forwarded for Actuarial Study***

### **HB 191 – Georgia Legislative Retirement System; employee contributions; change certain provisions**

This bill increases Legislative Retirement System (LRS) member's monthly benefit payable at retirement by increasing the multiplier from \$36 to \$50. LRS member contributions will also increase to 9.5% of monthly salary. Retired members will also get the \$50 multiplier increase included in their retirement benefit calculation. These increases will be effective 7/1/22.

This legislation also defines "Monthly Salary" to mean the full rate of the total combined regular monthly salary, not including any per diems, allowances, or expense reimbursements payable to a member, plus any additional regular monthly salary payable to the member pursuant to resolution adopted by the General Assembly. "Term of office" is also defined in this bill as the period of time beginning when an individual receives his or her commission as a member of the General Assembly from the Secretary of State, which commission is issued in accordance to law until the second Monday in January of the next odd-numbered year.

### **HB 657 – Employees' Retirement System; certain sworn law enforcement officers to be eligible for regular retirement benefits at the age of 55 years; allow**

This bill expands the current retirement eligibility and benefits applying to certain law enforcement personnel who are ERS members so as to include officers, deputy commissioners, and commissioners of the Motor Carrier Compliance Division and the Capitol Police Division of the Department of Public Safety.

Under this legislation, which would become effective July 1, 2022, such groups of ERS members would be eligible to retire with normal benefits at the age of 55, provided they had at least 10 years of creditable service, and would also be eligible for Injury in the Line of Duty provisions as well as purchase of applicable, local creditable service.

### **HB 780 – Retirement and pensions; membership of full-time judges of the state-wide business court in the retirement plan established for appellate court judges; provide**

Currently, any individual employed as the State-wide Business Court Judge is eligible for retirement plan membership under JRS.

This bill would change such eligibility so that the State-wide Business Court Judge, on and after July 1, 2022, would no longer be eligible for JRS, but instead for the special provisions under ERS provided to judges of the Appellate and Supreme Courts.

The term "appellate court judge" is amended to include the State-wide Business Court Judge, and a new Code section is added to allow for the transfer of service for such judge from JRS to ERS. It also amends JRS statute so that current eligibility provisions in JRS are capped from July 1, 2020 to July 1, 2022.

### **HB 824 – Georgia Legislative Retirement System; retirement allowance; increase**

This bill increases Legislative Retirement System (LRS) member's monthly benefit payable at retirement by increasing the multiplier from \$36 to \$60. Retired members will also get the \$60 multiplier increase included in their retirement benefit calculation. These increases will be effective 7/1/22.

### **HB 838 – Georgia Legislative Retirement System; define certain terms; provide for a new form of retirement allowance**

This bill increases the monthly retirement benefit available to certain LRS members who served at least two (2) years as Speaker of the House of Representatives so that such members would receive 38% of his or her "average monthly salary," which would be effective July 1, 2022.

This legislation also defines "Average Monthly Salary" to mean the average of the monthly salary of a member during the 24 consecutive months of membership service producing the highest such average. Additionally, "Monthly Salary" is defined to mean the full rate of the total combined regular monthly salary, not including any per diems, allowances, or expense reimbursements payable to a member, plus any additional regular monthly salary payable to the member pursuant to resolution adopted by the General Assembly.

### **HB 845 – Georgia Legislative Retirement System; employee contributions; change certain provisions**

This bill increases LRS member contributions from 7.5% to 9.5% of monthly salary, where "Monthly Salary" is defined to mean the full rate of the total combined regular monthly salary, not including any per diems, allowances, or expense reimbursements payable to a member, plus any additional regular monthly salary payable to the member pursuant to resolution adopted by the General Assembly. This legislation also defines "Average Monthly Salary" to mean the average of the monthly salary of a member during the 24 consecutive months of membership service producing the highest such average.

Additionally, "Term of office" is also defined in this bill as the period of time beginning when an individual receives his or her commission as a member of the General Assembly from the Secretary of State, which commission is issued in accordance to law until the second Monday in January of the next off-numbered year.

Active members on or after 7/1/22 will receive the greater of \$50 multiplied by the number of years of creditable service or a monthly service retirement allowance equal to 38% of the member's average monthly salary once they retires. If any person who is a contributing member on 7/1/22 does not remain a contributing member until at least 12/31/22, the retirement allowance will be equal to the current benefit multiplier (\$36) multiplied by the number of years of creditable service. This 38% is more impactful for members such as the Speaker of the House, Senate Pro Temp, and House Pro Temp. These increases will not apply to retired members.

This bill becomes effective July 1, 2022, with specific measures being implemented as otherwise outlined in the legislation.

### **SB 167 – Retirement; semiannual postretirement benefit adjustments for all beneficiaries of the Employees' Retirement System of Georgia; provide**

Currently, all individuals who became members of the Employees' Retirement System (ERS) on or after July 1, 2009 are not eligible to receive postretirement benefit adjustments.

This bill would remove such prohibition and provide all retirees and beneficiaries of ERS with a 1.5% postretirement benefit adjustment every six (6) months after the effective date of July 1, 2022. It also states that no members with membership dates on and after July 1, 2009 shall receive any postretirement adjustments that were granted before July 1, 2022.

During instances where the revenue collected in the most recently completed fiscal year has decreased by 3% or more or if the State experiences a decline in revenue for three (3) consecutive months, the Governor may suspend such required postretirement benefit adjustments, in whole or part, by executive order. Such executive orders are subject to revocation, revision, or extension by the General Assembly and they may not be issued in more than two (2) consecutive calendar years or more than three (3) times in a period of 10 consecutive calendar years.