

Legislative Update

Employees' Retirement System of Georgia

February 12, 2010

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Midyear Budget Passes House of Representatives

The Fiscal Year 2010 Amended Budget (HB 947) passed the House of Representatives yesterday afternoon by a vote of 122 - 44. The \$17.4 billion Amended Budget will now go to the Senate for possible changes and approval.

The Amended Budget that passed the House included \$1.2 billion in reductions due to the down economy. Many State Agencies face spending cuts of around 8 percent in the revised Budget.

The Annual Required Employer Contribution Rates (ARC) for the Plans administered by the Employees' Retirement System of Georgia were fully funded in the Amended Budget. The ARC is the amount of employer contributions required (as determined by the Actuary) from State appropriations to fund our pension plans.

Once the Fiscal Year 2010 Amended Budget is approved by the Senate, Legislators will begin work on the Fiscal Year 2011 Budget (HB 948).

LEGISLATIVE LOG

Monday, February 8, 2010

HB 172 - Employees' Retirement System of Georgia; disability benefits; provisions

Revises language relating to the handling of medical examinations for persons that are receiving disability benefits under the age of 60, by removing the ability for medical examinations to be conducted at the disability retiree's place of residence.

Additionally, this bill provides that earnable compensation in the calculation of earnings limitation for disability beneficiaries will also include workers compensation income.

HB 172 received a DO PASS BY COMMITTEE SUBSTITUTE from the Senate Rules Committee and was placed on the Senate Debate Calendar for 2/9/10.

LEGISLATIVE LOG - Continued

Tuesday, February 9, 2010

HB 172 - Employees' Retirement System of Georgia; disability benefits; provisions

Revises language relating to the handling of medical examinations for persons that are receiving disability benefits under the age of 60, by removing the ability for medical examinations to be conducted at the disability retiree's place of residence.

Additionally, this bill provides that earnable compensation in the calculation of earnings limitation for disability beneficiaries will also include workers compensation income.

HB 172 received a DO PASS BY COMMITTEE SUBSTITUTE from the full Senate by a vote of 51 -1.

HB 320 - Georgia Environmental Facilities Authority; change name to Georgia Environmental Finance Authority

Changes the name of the Georgia Environmental Facilities Authority to the Georgia Environmental Finance Authority.

HB 320 received a DO PASS BY COMMITTEE SUBSTITUTE from the Senate Rules Committee and was placed on the Senate Debate Calendar for 2/10/10.

HB 542 - Public School Employees Retirement System; maximum allowable benefit; increase

Increases the maximum benefit monthly benefit for PSERS members from \$12.00 to \$14.75 for each year of creditable service and increases the maximum monthly benefit from \$15.00 to \$16.00 for each year of creditable service, effective July 1, 2010, to the extent that funds are appropriated by the General Assembly.

Such increases will be payable to current and retired PSERS members.

HB 542 received a DO PASS BY COMMITTEE SUBSTITUTE from the House Rules Committee and was placed on the House Debate Calendar for 2/10/10.

HB 969 - Retirement and pensions; comply with federal law; amend certain provisions

This legislation is sponsored by the Teachers Retirement System (TRS) and mainly relates to that system; however, there are changes in Chapter 1 of Title 47, as well as changes in the PSERS statute. Changes to PSERS include:

PSERS members who have not reached normal retirement age that return to service in any public school position which requires membership in PSERS must cease their retirement benefit and the retired member shall re-establish active membership in PSERS. At the end of such service, or upon normal retirement age and cessation of contributions, the retired member will receive a retirement benefit based on the member's total accrued service and;

LEGISLATIVE LOG - Continued

- PSERS members who have reached normal retirement age and return to service as a public school employee in any position that would normally require membership in PSERS have the option to:
 - Cease their retirement benefit and the retired member shall re-establish active membership in PSERS. At the end of such service, the retired member will receive a retirement benefit based on the member's total accrued service or;
 - Not contribute to the system, in which event the member's retirement benefit shall not cease, and no additional benefits will accrue.
- Requires employers that employ retired PSERS members to certify in writing:
 - The name of the member and if the retired member is age 65 or older,
 - The retired member's election to either discontinue benefits and resume contributions or to continue receiving retirement benefits and accrue no additional credits under the retirement system.
- Any employer that fails to give such notification shall reimburse the retirement system any benefits wrongfully paid. The retired member must notify the employer of their retirement status prior to employment.

HB 969 received a DO PASS BY COMMITTEE SUBSTITUTE from the House Rules Committee and was placed on the House Debate Calendar for 2/10/10.

Wednesday, February 10, 2010

HB 320 - Georgia Environmental Facilities Authority; change name to Georgia Environmental Finance Authority

Changes the name of the Georgia Environmental Facilities Authority to the Georgia Environmental Finance Authority.

HB 320 received a DO PASS BY COMMITTEE SUBSTITUTE from the full Senate by a vote of 55-0.

HB 542 - Public School Employees Retirement System; maximum allowable benefit; increase

Increases the maximum benefit monthly benefit for PSERS members from \$12.00 to \$14.75 for each year of creditable service and increases the maximum monthly benefit from \$15.00 to \$16.00 for each year of creditable service, effective July 1, 2010, to the extent that funds are appropriated by the General Assembly.

Such increases will be payable to current and retired PSERS members.

HB 542 received a DO PASS BY COMMITTEE SUBSTITUTE from the full House by a vote of 166 - 0.

LEGISLATIVE LOG - Continued

HB 969 - Retirement and pensions; comply with federal law; amend certain provisions

This legislation is sponsored by the Teachers Retirement System (TRS) and mainly relates to that system; however, there are changes in Chapter 1 of Title 47, as well as changes in the PSERS statute. Changes to PSERS include:

PSERS members who have not reached normal retirement age that return to service in any public school position which requires membership in PSERS must cease their retirement benefit and the retired member shall re-establish active membership in PSERS. At the end of such service, or upon normal retirement age and cessation of contributions, the retired member will receive a retirement benefit based on the member's total accrued service and;

- PSERS members who have reached normal retirement age and return to service as a public school employee in any position that would normally require membership in PSERS have the option to:
 - Cease their retirement benefit and the retired member shall re-establish active membership in PSERS. At the end of such service, the retired member will receive a retirement benefit based on the member's total accrued service or;
 - Not contribute to the system, in which event the member's retirement benefit shall not cease, and no additional benefits will accrue.
- Requires employers that employ retired PSERS members to certify in writing:
 - The name of the member and if the retired member is age 65 or older,
 - The retired member's election to either discontinue benefits and resume contributions or to continue receiving retirement benefits and accrue no additional credits under the retirement system.
- Any employer that fails to give such notification shall reimburse the retirement system any benefits wrongfully paid. The retired member must notify the employer of their retirement status prior to employment.

HB 969 received a DO PASS BY COMMITTEE SUBSTITUTE from the full House by a vote of 165 - 1.

HB 997 - Social Security Coverage Group; State Personnel Administration jurisdiction; provide

Updates Chapter 18 of Title 47 relating to Social Security and moves the responsibilities to the State Personnel Administration.

HB 997 received a DO PASS from the House Rules Committee and was placed on the House Debate Calendar for 2/11/10.

Thursday, February 11, 2010

HB 249 - Public Retirement Systems Investment Authority Law; define certain terms; provisions

Authorizes the Georgia Firefighters Pension Fund to invest in certain alternative investments.

LEGISLATIVE LOG - Continued

HB 249 received a DO PASS BY COMMITTEE SUBSTITUTE from the House Rules Committee and was placed on the House Debate Calendar for 2/16/10.

HB 997 - Social Security Coverage Group; State Personnel Administration jurisdiction; provide

Updates Chapter 18 of Title 47 relating to Social Security and moves the responsibilities to the State Personnel Administration.

HB 997 received a DO PASS from the full house by a vote of 156 - 2.

HB 1162 - Retirement and pensions; fund investing employee; no salary bonus; provisions

Prevents any state employee responsible for investing the funds of a public retirement system or a combination of such funds from receiving a salary bonus in any calendar year in which the rate of return on the total of such fund's investments does not exceed the Standard and Poor's 500 Index.

HB 1162 was assigned to the House Retirement Committee by the full House.

Friday, February 5, 2010

No Bills were considered today due to the General Assembly being in Recess.
