

Legislative Update

Employees' Retirement System of Georgia

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House Adopts Midyear Budget

The Fiscal Year 2011 Amended Budget (HB 77) passed the House of Representatives yesterday afternoon by a vote of 136-29. The \$18.1 billion Amended Budget will now go to the Senate for possible changes and approval.

The Amended Budget that passed the House included \$300 million in reductions due to the down economy. Many State Agencies face spending cuts around 4 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 by the House 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 2011 Amended Budget is approved by the Senate, Legislators will begin work on the Fiscal Year 2012 Budget.

LEGISLATIVE LOG

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 183 was assigned to the House Retirement Committee by the full House.

LEGISLATIVE LOG - Continued**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 236 was assigned to the House Retirement Committee by the full House.
