

# Legislative Update

For the Week of: February 13 - 17, 2012  
Legislative Days: 19 - 21

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## *Legislative Log*

### Monday, February 13, 2012

No bills were considered today due to the General Assembly being in recess.

### Tuesday, February 14, 2012

No bills were considered today due to the General Assembly being in recess.

### Wednesday, February 15, 2012

#### **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. However, there will be no benefit increase above \$15.00 for members retired on and after the effective date of this legislation.

**SB 246 received a DO PASS from the full Senate by a vote of 52-0.**

## ***Legislative Log (continued)***

### **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.

SB 286 received a DO PASS from the full Senate by a vote of 47-5.

**Thursday, February 16, 2012**

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

This legislation allows new members of the General Assembly to make an irrevocable election to become members of the Legislative Retirement System (LRS) within two months of the beginning of each term of office on or after July 1, 2012. Once an election is made for LRS membership, there is no requirement to make an election to continue membership in this system. The required vesting period of eight years will remain unchanged.

The bill also allows an irrevocable election for those who previously declined LRS membership the ability to purchase prior service, provided that 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 received a DO PASS by Committee Substitute from the House Retirement Committee.**

### **SB 402 - "Employees' Retirement System of Georgia Enhanced Investment Authority Act"; define certain terms relating to certain types of investments**

This bill amends provisions relating to the Public Retirement Systems Investment Authority Law by defining the term "alternative investments" and allows eligible large retirement systems, other than the Teachers Retirement System, to make certain alternative investments.

Senate Bill 402 allows investment in alternative investments of up to 1% per year, with a total of no more than 5% of total funds at any time.

The bill, as written, provides certain protections to ERS:

- Does not specify participation in investments based on geography
- Language is structure specific
- Each investment requires at least 4 other investors on the same terms not affiliated with the issuer
- Each investment shall only be made in private pools and issuers that have at least \$100 million in assets
- A code of ethics must be adopted relating to investing in and disposing of these investment vehicles

## ***Legislative Log (continued)***

Annual reporting is required to the Governor and the House and Senate Retirement Committee Chairpersons detailing the performance of such investments.

**SB 402 received a DO PASS by Committee Substitute from the Senate Retirement Committee.**

**Friday, February 17, 2012**

**No action was taken on retirement bills today.**