

# Legislative Update

For the Week of: February 17 - 21, 2014  
Legislative Days: 22 - 26

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## *Legislative Log*

### Monday, February 17, 2014

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No retirement bills were considered today.

### Tuesday, February 18, 2014

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**SB 339 – Retirement and Pension; revise, modernize, correct errors/omissions in said title; Code Revision Commission**

This bill is a clean-up bill to correct typographical, stylistic, and other errors and omissions in Title 47.

**SB 339 received a DO PASS from the Senate Retirement Committee.**

### Wednesday, February 19, 2014

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**HB 761 – Public Retirement Systems Standards Law; definition of annual required contribution; change references**

This legislation updates the Public Retirement Systems Standards law by providing a reference date of June 15, 2013 for Governmental Account Standards Board (GASB) Statements 25 and 27. GASB provides financial reporting requirements for retirement systems.

**HB 761 received a DO PASS from the House Retirement Committee.**

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

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### **HB 764 – Georgia State Employees’ Pension and Savings Plan; certain employees make contributions at rate of 5 percent unless otherwise specified; provide**

The current tier for new hires of the ERS pension system contains both a defined benefit (DB) and a defined contribution (401(k)) component. Membership in the DB plan is mandatory for new hires; membership in the 401(k) plan is optional. Currently, new hires are automatically enrolled in the 401(k) plan with an initial contribution rate of 1% of their salary unless they opt out or otherwise elect to change their contribution rate. This bill changes the initial contribution rate to 5% of the employees’ salary for those hired after July 1, 2014, in order to take advantage of the full state offered match. Employees may continue to opt out or otherwise elect to change their contribution rate.

**HB 764 received a DO PASS from the House Retirement Committee.**

### **HB 843 – Retirement and pensions; ensure compliance with federal laws and regulations; change certain provisions**

In 2009/2010, legislation was passed to align Georgia law with the federal Internal Revenue Code. The IRS has required an additional change in Georgia law in order maintain compliance with IRS regulations as it relates to qualified pension plans for ERS and TRS. These changes are minor and impact the General Provisions (replace detailed IRC 415 language with a statement that the retirement systems will comply with IRC 415 requirements), Georgia Legislative Retirement System (add IRC 414 employer “pick-up” language) and the Georgia Judicial Retirement System (add IRC 414 employer “pick-up” language).

**HB 843 received a DO PASS from the House Retirement Committee.**

## **Thursday, February 20, 2014**

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No retirement bills were considered today.

## **Friday, February 21, 2014**

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### **HB 764 – Georgia State Employees’ Pension and Savings Plan; certain employees make contributions at rate of 5 percent unless otherwise specified; provide**

The current tier for new hires of the ERS pension system contains both a defined benefit (DB) and a defined contribution (401(k)) component. Membership in the DB plan is mandatory for new hires; membership in the 401(k) plan is optional. Currently, new hires are automatically enrolled in the 401(k) plan with an initial contribution rate of 1% of their salary unless they opt out or otherwise elect to change their contribution rate. This bill changes the initial contribution rate to 5% of the employees’ salary for those hired after July 1, 2014, in order to take advantage of the full state offered match. Employees may continue to opt out or otherwise elect to change their contribution rate.

**HB 764 received a DO PASS from the House Rules Committee and was placed on the House debate calendar for 2/24/14.**

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

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In 2009/2010, legislation was passed to align Georgia law with the federal Internal Revenue Code. The IRS has required an additional change in Georgia law in order maintain compliance with IRS regulations as it relates to qualified pension plans for ERS and TRS. These changes are minor and impact the General Provisions (replace detailed IRC 415 language with a statement that the retirement systems will comply with IRC 415 requirements), Georgia Legislative Retirement System (add IRC 414 employer “pick-up” language) and the Georgia Judicial Retirement System (add IRC 414 employer “pick-up” language).

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