

2012 Legislative Summary

2012 Enacted Legislation

June 1, 2012

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2012 Enacted Legislation

HB 183 (Act 646) – General Assembly members; members of Georgia Legislative Retirement System; provisions

This legislation allows members of the General Assembly to elect Legislative Retirement System (LRS) membership 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 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.

Effective Date: 7/1/12
Signed by Governor on: 5/1/12

HB 250 (Act 649) - Georgia Judicial Retirement System; revised survivor's benefit option; provisions

This bill allows new members of the Judicial Retirement System (JRS) on or after July 1, 2012, the ability to elect spousal coverage at the time of retirement and pay required contributions (same as ERS).

Current JRS members with at least 10 years of service who previously rejected spousal coverage may elect to pay full actuarial cost to cover a spouse.

2012 Enacted Legislation (continued)

The bill also ensures that the minimum amount of benefits to be paid out of the plan to the member and any beneficiary(ies) is not less than the total of the member's contributions (including any employer pickup) plus interest, regardless of the member's status at death or the form of benefit chosen.

Effective Date: 7/1/12

Signed by Governor on: 5/1/12

HB 297 (Act 650) - Retirement and pensions; public systems prohibited from expending funds for certain purposes; provide

This bill prevents any public retirement system from having an insurable interest in the system's active or retired members unless benefits are paid to a designated beneficiary or the member's estate.

Effective Date: 5/1/12

Signed by Governor on: 5/1/12

HB 805 (Act 629) - State Personnel Administration; abolition; make conforming amendments and correct references

This bill removes references to the State Personnel Administration throughout Title 47 and provides for the transfer of certain functions to the Department of Administrative Services.

Effective Date: 7/1/12

Signed by Governor on: 5/1/12

HB 944 (Act 685) - Official Code of Georgia; retirement and pensions; revise, modernize, and correct errors or omissions

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

Effective Date: 5/1/12

Signed by Governor on: 5/1/12

SB 246 (Act 763) - 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 \$16.50 for each year of creditable service. The benefit increases are to the extent that funds are appropriated by the General Assembly.

2012 Enacted Legislation (continued)

Benefit increases will be payable to current and future PSERS retirees. However, there will be no benefit increase above \$15.00 for members retired before the effective date of this legislation, and no benefit multiplier increase to any future retirees after their effective date of retirement.

Effective Date: 7/1/12

Signed by Governor on: 5/3/12

SB 286 (Act 728) - Retirement; tax commissioner or an employee of any such officer; membership; Employees' Retirement System of Georgia

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.

This legislation also corrects an oversight in the 2008 bill which created GSEPS. It provides for transfers between GSEPS ERS members and TRS members, with benefits being calculated on a pro-rated basis according to the applicable plan's formula in place at the time of employment.

Effective Date: 7/1/12

Signed by Governor on: 5/2/12

SB 402 (Act 603) - "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
 - At the time of initial investment, such investors shall not include any trustee of the retirement system making the investment or any public official as defined in paragraph 9 of O.C.G.A. 45-10-20
 - A code of ethics must be adopted relating to investing in and disposing of these investment vehicles

2012 Enacted Legislation (continued)

Annual reporting is required to the Governor and the House and Senate Retirement Committee Chairpersons detailing the performance of such investments. Such report must be posted on the Retirement System website.

Effective Date: 7/1/12

Signed by Governor on: 4/16/12