

SENATE RETIREMENT COMMITTEE

2005-2006

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Senator Preston Smith, Vice Chairman

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Senator Vincent Fort

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Senator Judson Hill

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Senator Ralph Hudgens

District 47
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Senator Doug Stoner

District 6
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Senator Horacena Tate

District 38
201 Joseph Lowery Boulevard, Northwest
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2005-2006 RULES FOR SENATE RETIREMENT COMMITTEE

1. Quorum of the Committee shall be four (4) members.
2. The Chairman shall determine which bills and resolutions are to be considered and the order in which said measures are considered.
3. The Chairman shall have the authority to refer bills and resolutions to subcommittee for study. Such subcommittees, in turn, shall have the authority to make recommendations on such measures to the full committee.
4. The Committee shall convene, recess, put all questions and adjourn upon order of the Chairman, subject to the rules of the Senate.
5. The Committee shall not vote on any bill until the author or his/her designee has been given the opportunity to appear and be heard. The principal author shall be the legislator whose name appears first on the list of authors.
6. Any member or members of the Committee who disagree with the majority report of the Committee shall be privileged to file a minority report.
7. No official action may be taken on any fiscal bill before the Committee unless the proper fiscal note (Actuarial study on bills having a fiscal impact) is attached.
8. The rules of the Committee will prevail in all matters not covered by Senate rules or by the "Public Retirement Systems Standards Law".
9. After adoption, these rules may be amended upon motion duly made, seconded, and subsequently approved by a two-third vote of the members of the Committee.
10. All retirement bills with either a fiscal or non-fiscal impact shall not be put to Final passage by the Committee until such bills comply with provisions of the "Public Retirement Systems Standards Law".
11. The secretary of the Committee shall distribute a copy of these rules to all Members of the Senate and House Retirement Committees.

2005 Senate Retirement Committee Meeting Minutes

The Senate Retirement Committee met on Thursday, February 24, 2005 at 2:45 P.M. in Room 328 of the Legislative Office Building.

Members Present: Senators Heath of the 31st, Smith of the 52nd, Hudgens of the 47th, and Tate of the 38th. Chairman Heath presented the 2005-2006 rules for the committee.

Senator Schaefer arrived at 2:49

Motion to adopt rules was made by Senator Hudgens, seconded by Senator Smith. Vote to adopt rules was unanimous.

Senator Stoner arrived at 2:53

Senator Hill arrived at 2:55

SB 161 (Sen. Heath, 31st) Employees' Retirement; Housing/Finance Authority officer; payment to trustees

Michael Nef with the Employees Retirement System of Georgia spoke in favor of the legislation. The motion that **SB 161 do pass** was made by Senator Hudgens and seconded by Senator Tate. Vote in favor of the motion was unanimous.

HB 319 (Rep. Bridges, 10th) Retirement; large retirement systems; invest in securities

Mr. Dan Ebersole with the Teachers Retirement System and the Employment Retirement System spoke in favor of the legislation. Representative Bridges also spoke in favor of the legislation. The motion that **HB 319 do pass** was made by Senator Hill and seconded by Senator Schaefer. Vote was unanimous.

Mr. Jeff Ezell with the Teachers Retirement System, Mr. Mike Nef with the Employment Retirement System and Mr. Charlie Roberts with the Georgia Retired Educators Association were in attendance. The each introduced themselves and provided an overview of the system or organization they represent.

There being no further business to come before the committee, the meeting adjourned at 3:15 P.M.

/s/ Senator Schaefer, 50th District
Secretary

/s/ Jamie Martinez
Recording Secretary

Senate Retirement Committee

The Senate Retirement Committee met on Thursday, March 3, 2005 in room 328 of the Legislative Office Building. The meeting was called to order by Senator Heath of the 31st at 12:15 P.M.

Members present: Senators Heath of the 31st, Smith of the 52nd, Schaefer of the 50th, Fort of the 39th, Hill of the 32nd, Hudgens of the 47th, Tate of the 38th (Senator Smith arrived at 12:15 and left at 12:45, Senator Fort arrived at 12:35, Senator Tate arrived at 1:00).

SB 280 (Sen. Thompson, 5th) Employees' Retirement; invest percentages of portfolios in certain types of investments

SB 280 was discussed by the committee.

Senator Thompson of the 5th spoke to the bill. He spoke about the advantages of Employees' Retirement System (ERS) investing in venture capital.

Senator Hill of the 32nd spoke to the bill. He stated that the bill allows ERS members the choice to invest funds in private equity, venture capital and mutual funds. He also stated that the time is now because some of the best funds will soon be closing for new investments.

Michael DeRosa with Cordova Ventures spoke in support of the bill. He stated that 43 states now have investment plans.

Tom Wommack with Professional Association of Georgia Educators (PAGE) spoke against the bill. He is opposed to the investing of funds in private equity. He stated that Georgia currently has one of the most solid retirement systems in the state.

Charlie Roberts with Georgia Retired Educators Association (GREA) spoke against the bill. He stated that he is not opposed to investments but is opposed to questionable investments. He is opposed to investing retirement money in venture capital.

Jody Grogan with Georgia Association of Educators (GAE) spoke against the bill. He has concern on behalf of PSERS employees.

Gerard van Hamel Platerink with Accuitive Medical Ventures spoke in support of the bill. He stated that companies are moving out of state because the investing and funding opportunities are not available here.

Senator Fort of the 39th stated that this may not be the right time for this and that the system needs safeguards first.

The meeting was adjourned at 1:05

/s/ Senator Schaefer, 50th District
Secretary

/s/ Jamie Martinez
Recording Secretary

Senate Retirement Committee

The Senate Retirement Committee met on Tuesday, March 22, 2005 in room 125 of the Capitol. The meeting was called to order by Senator Heath of the 31st at 8:30am.

Members present: Senators Heath of the 31st, Smith of the 52nd, Schaefer of the 50th, Hudgens of the 47th, Stoner of the 6th

Senator Hill of the 32nd arrived at 8:40

Senator Smith left at 8:45

Senator Stoner left at 8:50

[HB 355](#) (Rep. Cummings, 16th) Class Nine Fire Department Pension Fund; secretary-treasurer renamed executive director

Representative Cummings spoke to the bill. The motion that **[HB 355](#) do pass** was made by Senator Smith and seconded by Senator Stoner. Vote in favor of the motion was unanimous.

[HB 373](#) (Rep. Brooks, 63rd) Teachers Retirement System; members of local funds; nonsectarian schools

Jeff Ezell with the Teachers Retirement System spoke to the bill. He stated that this bill removes some language in TRS law that dates back to the 1950's from Jim Crow legislation. This is dormant language that should be removed. The motion that **[HB 373](#) do pass** was made by Senator Hudgens and seconded by Senator Schaefer. Vote in favor of the motion was unanimous.

[HB 381](#) (Rep. Bridges, 10th) Employees' Retirement; optional retirement allowances; technical corrections

Representative Bridges spoke to the bill. He stated this is a housekeeping bill. The motion that **[HB 381](#) do pass** was made by Senator Smith and seconded by Senator Hudgens. Vote in favor of the motion was unanimous.

[HB 459](#) (Rep. Bridges, 10th) Employees' Retirement; disability retirement and allowance; amend provisions

Representative Bridges spoke to the bill. Senator Hill had questions regarding the bill. Mike Nef with the Employees Retirement System of Georgia answered those questions. The motion that **[HB 459](#) do pass** was made by Senator Hudgens and seconded by Senator Schaefer. Vote in favor of the motion passed 3-1. Senator Hill was opposed.

HB 495 (Rep. Coleman, 97th) Teachers Retirement; reemployment of retired teachers

Representative Coleman spoke to the bill. Charlie Roberts with the Teachers Retirement System spoke in support of the bill. The motion that **HB 495 do pass by substitute** was made by Senator Schaefer and seconded by Senator Hudgens. Vote in favor of the motion was unanimous.

HB 460 (Rep. Bridges, 10th) Public retirement systems; compliance with Internal Revenue Code; provisions

Representative Bridges spoke to the bill. The motion that **HB 460 do pass** was made by Senator Hudgens and seconded by Senator Schaefer. Vote in favor of the motion was unanimous.

HB 492 (Rep. Cummings, 16th) Judicial Retirement System; dates and election for participation; amend

Representative Cummings spoke to the bill. The motion that **HB 492 do pass** was made by Senator Hill and seconded by Senator Schaefer. Vote in favor of the motion was unanimous.

The meeting was adjourned at 9:05am.

/s/ Senator Schaefer, 50th District
Secretary

/s/ Jamie Martinez
Recording Secretary

Senate Retirement Committee

The Senate Retirement Committee met on Tuesday, March 29, 2005 in room 328 of the Legislative Office Building. The Meeting was called to order by Senator Heath of the 31st at 8:00am.

Members present: Senators Heath of the 31st, Smith of the 52nd, Schaefer of the 50th, Hill of the 32nd, Hudgens of the 47th, and Tate of the 38th.

HB 319 (Rep. Bridges, 10th) Retirement; large retirement systems; invest in securities

Refer to the February 24th meeting for discussion of HB 319. No one spoke to the bill due to the fact that the bill has already passed out of committee once. The motion that **HB 319 do pass** was made by Senator Smith and seconded by Senator Hill. Vote in favor of the motion was unanimous.

Senator Tate arrived at 8:05.

The meeting was adjourned at 8:05.

/s/ Senator Schaefer, 50th District
Secretary

/s/ Jamie Martinez
Recording Secretary

Senate Retirement Committee

The Senate Retirement Committee met on Monday, June 27, 2005 in room 307 of the Legislative Office Building. The meeting was called to order by Senator Heath of the 31st at 10:09am.

Members present: Senators Heath of the 31st, Smith of the 52nd, Schaefer of the 50th, Fort of the 39th and Tate of the 38th.

SB 54 (Sen. Goggans, 7th) District Attorney Emeritus; provide salary increases

This legislation provides the annual salary for district attorneys emeritus holding office on July 1, 2006 or appointed to such position on or after such date from \$15,000 to \$25,000. Mr. David Bundrick stated that the code section dealing with this was last amended in 1990. Ms. Carol Schwinne explained this would affect a small number of people. Two years ago there were 8 people receiving money from this fund. The motion to **send SB 54 for an actuarial study** was made by Senator Tate and seconded by Senator Fort. The motion passed unanimously.

SB 66 (Sen. Henson, 41st) Employees' Retirement; withdraw contributions; may re-establish; no wait time

This bill provides for members of the Employees Retirement System to re-establish withdrawn contributions with no wait time. Senator Tate spoke to the bill. Mr. Tom Biggers who works in Fulton County also spoke to the bill. Senator Smith asked what the policy reason was for the waiting period. Mr. Biggers stated it was to prevent people from jumping in and out of the system but this never became an issue. Senator Heath asked if an employee could buy service while not an employee. Mr. Mike Nehf of the Employees Retirement System assured him they could not. Mr. Nehf stated that the fiscal impact would be a timing difference of two years. Senators Fort and Smith had questions that were answered by Mr. Nehf. The motion to **send SB 66 for an actuarial study** was made by Senator Fort and seconded by Senator Tate. The motion passed unanimously.

SB 67 (Sen. Henson, 41st) (Committee Substitute) Teachers Retirement; active duty in armed forces; creditable service

This legislation authorizes members of the Teachers Retirement System to obtain creditable service for any period of time that he or she was on active duty in the armed force of the United States, provided the member was honorably discharged from military service. Senator Heath and Mr. Bundrick clarified the substitute was due to an error in the date on the original bill that was drawn up. Senator Fort wanted clarification on what exactly this bill was changing. Mr. Bundrick explained that it removes the draft requirement for receiving creditable service. Senator Smith asked if this included National Guard. Mr. Jeff Ezell with the Teachers Retirement System explained that this

would include National Guard that have been called up but not those who are on reserve. The motion to **send [SB 67](#) for an actuarial study** was made by Senator Smith and seconded by Senator Schaefer. The motion passed unanimously.

[SB164](#) (Sen. Hamrick, 30th) Teachers Retirement; benefits; provide conditions

This legislation moves the date forward one year for teachers' retirement conditions. Mr. Ezell mentioned a similar house bill was introduced adding terminology that impacted the definition of a classroom teacher. He thought if this bill were passed it might undo the House Bill that was just passed and signed by the Governor. Mr. Bundrick stated that this bill is only looking to change a date and he does not think it would have an impact on the definition of a classroom teacher. The bill does define a retired teacher but he does not think that will be affected. Mr. Ezell stated that he thinks he was mistaken about SB164 possibly having an effect on the house bill that was mentioned. Senator Heath asked if the committee got the actuary done on the current bill and then found out that the definition needed to be changed would that have an impact on the results? Mr. Ezell stated that it might. Senator Smith brought to the committee's attention that there is an error in the date listed in section 2 lines 19 and 22. The date needs to be changed from 2005 to 2006. The motion to amend lines 19 and 22 by changing 2005 to 2006 was made by Senator Smith and seconded by Senator Tate. The motion passed unanimously. The motion to **send the amended version of [SB 164](#) for actuarial study** was made by Senator Schaefer and seconded by Senator Tate. The motion passed unanimously. Senator Fort then mentioned that he would like confirmation that this bill would not reverse anything done by the recent house bill mentioned by Mr. Ezell. Senator Heath said that he felt that was a valid point but possibly his suggestion would accomplish the same thing. He asked if the committee could receive actuarial results based on both definitions so that the definition could be changed later if needed. Mr. Ezell confirmed that could be done.

[SB165](#) (Sen. Meyer von Bremen, 12th) Employees' Retirement; Depart. of Public Safety; provide conditions

This bill deals with Employees retirement for the Department of Public Safety. Senator Meyer von Bremen, the author of the bill was unable to attend the meeting, however he sent a letter for the committee. Senator Heath read that letter. Senator Meyer von Bremen asked that his bill be held due to the fact that the House filed this legislation via Representative Sims and an actuarial study has already been requested on that legislation. He then stated that he understands that it cost about \$5,000 to run these studies and that it would not be a prudent use of taxpayer money to run a second actuary study in order to advance this legislation in the senate. The Bill was held.

[SB177](#) (Sen. Tate, 38th) Teachers Retirement System; change benefit formula; provide conditions

This bill changes the benefit formula for teacher's retirement from 2% to 2.5%. Senator Heath gave an overview of this bill and stated that a house bill very similar to this bill

was introduced in 2003 and an actuarial study was done on that bill. That study found that implementing this change would cost over \$800,000,000 in the first year. The bill was never passed because the cost was too high. Senator Heath said he does not want to spend money on an actuarial study if there is no way the bill could ever get passed. Representative Cummings spoke in favor of the bill. He suggested that the bill be amended to make it similar to a House Bill. This house bill has provisions added in which allow the percentage to be increased only if there is additional money in the budget. He also suggested that the actuarial study be done in .1% increments to show how much increasing the percentage would cost at 2.1%, 2.2%, 2.3%, 2.4% and 2.5%. Senator Heath will ask for the study this way. Senator Fort and Mr. Bundrick got together and drew up an amendment that allowed for these changes. The motion to add language in the bill to change the benefit formula, as funds become available was made by Senator Fort and seconded by Senator Tate. The motion to **send the amended version of [SB 177](#) for actuarial study** was made by Senator Fort and seconded by Senator Tate. The motion passed unanimously. Senator Smith stepped out at 11:15 and returned at 11:25. He missed the vote.

[SB244](#) (Sen. Hudgens, 47th) (Committee Substitute) Magistrates Retirement Fund; define terms; create board of commissioners; powers

This bill will create a retirement fund for magistrate judges. Judge Connie Holt spoke in favor of this bill. She mentioned the need for a magistrate judge retirement system. She stated that they are the only Judicial System without a retirement system. However she disagreed with the way in which the funds will be obtained. The funds would come from a \$3.00 fee charged to the losing party in magistrate court cases. Judge Holt thinks this will be difficult to collect. Judges Kim Warden, Jim Thurman, Shane Geeter, and Billy Randall all spoke to the bill. They echoed Judge Holt's sentiments. The motion **to send [SB 244](#) for an actuarial study** was made by Senator Heath and seconded by Senator Smith. The motion passed unanimously.

[SB327](#) (Sen. Douglas, 17th) Retirement; county tax assessors; transfer of funds/creditable service; terminate active membership in local retirement system

There was no one in attendance to speak to the bill. It failed to be submitted for a study.

The meeting was adjourned at 12:20pm

/s/ Senator Schaefer, 50th District
Secretary

/s/ Jamie Martinez
Recording Secretary