

**Members of the Senate Retirement Committee
2012 Session**

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SENATE RETIREMENT COMMITTEE RULES

2011-2012

1. Quorum of the Committee shall be four (4) members. Every member, including ex-officio members, shall count as a voting member for purposes of establishing a quorum at any given meeting.
2. The Chairman shall determine which bills, resolutions, substitutes, or amendments are to be considered and the order in which said measures are considered; the Chairman shall have the authority and discretion to call a bill, resolution, substitute or amendment for debate and explanation only or to limit consideration of such measures.
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 recommendation on such measures to the full Committee at such times as shall be designated by the Chairman. All actions of the subcommittees shall be approved or disapproved by the standing committee.
4. The Chairman shall have the authority to schedule, manage, and regulate the debate on bills, resolutions, substitutes, and amendments, and may in his discretion recognize motions related to such measures and the order in which they are recognized.
5. When a bill or resolution is before the committee for consideration, the following shall be the precedence of the motions:
 - (1) a motion that a bill do pass;
 - (2) a motion that a bill do not pass;
 - (3) a motion to postpone to a time certain;
 - (4) a motion to refer a bill to a subcommittee.All motions shall receive a Second before consideration.
6. The Committee shall convene, recess and adjourn upon the order of the Chairman.
7. A bill or resolution will be considered only after presentation by its principal author or other legislator whom he/she may designate unless otherwise directed by the Chairman. The principal author shall be the legislator whose name appears first on the list of authors. The Committee shall not vote on any bill until the author or his or her designee has been given the opportunity to appear and be heard.
8. The Chairman reserves the right to delay or decline action on substitutes and amendments not provided to the Chairman in writing at least 24 hours prior to the hearing in which they are presented.
9. The Chairman shall not vote unless the committee shall be equally divided or unless his or her vote if given in the minority will make the division equal. In case the vote is equally divided, the Chairman must vote.
10. Any Member or Members of the Committee who disagree with the majority report of the Committee shall be privileged to file a minority report if they so desire.
11. These rules may be amended upon a motion duly made and subsequently approved by two-thirds of the members of the Committee.
12. Where these rules are silent on a specific issue, the Rules of the Senate as adopted shall govern. If the Rules of the Senate are silent on a specific issue, Mason's Manual of Legislative Procedure shall govern.

MINUTES OF THE SENATE RETIREMENT COMMITTEE
Tuesday, January 24, 2012

The Senate Retirement Committee held its first meeting of the 2012 Session on Tuesday, January 24, 2012, in room 125 of the Capitol. Chairman Tim Golden called the meeting to order at 3:05 p.m. Members present at the meeting were as follows:

Senator Tim Golden, 30th, Chairman
Senator Charlie Bethel, 54th, Secretary
Senator Doug Stoner, 6th,
Senator Lindsey Tippins, 37th

NOTE: Senators Millar, 40th, Jones, 10th, Sims, 12th, and Heath, 31st, were absent from the meeting.

Chairman Golden called the meeting to order. Representative Maxwell, 17th, presented all three of the following bills to the committee:

HB 293 (Benton, 31st) Retirement bills; define a certain term

Definition of “retirement bill having a fiscal impact”

ANALYSIS

This legislation revises the definition of the phrase “retirement bill having a fiscal impact” to include any bill or amendment which grants to a public retirement system or which authorizes or directs a public retirement system to expend or obligate in any way funds under the control of such retirement system to purchase life insurance for its members.

This bill was certified as a *nonfiscal* retirement bill as defined in the Public Retirement Systems Standards Law.

HB 297 (Maxwell, 17th) Retirement and pensions; public systems prohibited from expending funds for certain purposes

Dead Peasants Legislation

ANALYSIS

This legislation prohibited Georgia’s public retirement systems from having an insurable interest in active or retired members of their system. No public retirement would have the authority to expend or obligate funds under its control to purchase life insurance on its members except where all benefits were paid to a member’s estate or to a beneficiary designated by the individual member.

This bill was certified as a *nonfiscal* retirement bill as defined in the Public Retirement Systems Standards Law.

HB 308 (Maxwell, 17th) Public retirement systems; duties of boards of trustees; provide

Public Retirement Board of Trustees Duties

ANALYSIS

This legislation clarified that the duties of the boards of the trustees of public retirement systems, as outlined in Title 47 of the O.C.G.A., were in addition to the common law duties of a trustee as outlined in Title 53 of the O.C.G.A.

This bill was certified as a *nonfiscal* retirement bill as defined in the Public Retirement Systems Standards Law.

NOTE: Senator Tippins arrived at the meeting

There was no other testimony for or against any of the legislation.

Chairman Golden asked for a motion on **HB 293**. Senator Bethel, 54th, made a motion **HB 293 Do Pass**, and Senator Stoner, 6th, seconded the motion. The vote was unanimous (4-0).

HB 293 DO PASS

NOTE: Chairman Golden agreed to be senate sponsor of **HB 293**.

Chairman Golden asked for a motion on **HB 297**. Senator Bethel, 54th, made a motion **HB 297 Do Pass**, and Senator Stoner, 6th, seconded the motion. The vote was unanimous (4-0).

HB 297 DO PASS

NOTE: Senator Bethel agreed to be senate sponsor of **HB 297**.

Chairman Golden asked for a motion on **HB 308**. Senator Bethel, 54th, made a motion **HB 308 Do Pass**, and Senator Stoner, 6th, seconded the motion. The vote was unanimous (4-0).

HB 308 DO PASS

NOTE: Senator Bethel agreed to be senate sponsor of **HB 308**.

With no further business, Chairman Golden, 8th, adjourned the meeting at 3:20 p.m.

Respectfully submitted,

/s/ Senator Charlie Bethel, 54th, Secretary

/s/ Laurie Sparks, Recording Secretary

MINUTES OF THE SENATE RETIREMENT COMMITTEE
Monday, February 7, 2012

The Senate Retirement Committee held its second meeting of the 2012 Session on Tuesday, February 7, 2012, in room 125 of the Capitol. Chairman Tim Golden called the meeting to order at 3:05 p.m. Members present at the meeting were as follows:

Senator Tim Golden, 30th, Chairman
Senator Fran Millar, 40th, Vice Chair
Senator Charlie Bethel, 54th, Secretary
Senator Bill Health, 31st, Ex-Officio
Senator Freddie Powell Sims, 12th
Senator Doug Stoner, 6th,
Senator Lindsey Tippins, 37th

NOTE: Senator Jones, 10th, was absent from the meeting.

Chairman Golden called the meeting to order.

SB 246 (Hill, 4th) Retirement; provide an increase in the employee contribution; retirement benefit; conditions

Senator Jack Hill, 4th, presented **SB 246** to the committee. This legislation addressed Public School Employees Retirement System employee contributions, and would increase employee contributions for Public School Employees Retirement System members hired on or after July 1, 2012. The following analysis was shared with the committee:

ANALYSIS

This bill would amend provisions relating to employee contributions and retirement benefits under the Public School Employees Retirement System. Specifically, this bill would increase the employee contribution for all persons who become a member of the System on or after July 1, 2012 from \$4.00 per month to \$10.00 per month. Additionally, this bill would increase the monthly retirement benefit from \$15.00 per month multiplied by the member's years of service to \$16.00 per month. Finally, this bill would increase the minimum retirement benefit that could be paid from \$12.00 per month to \$14.75 per month multiplied by the member's years of service. No benefit increase above \$15.00 per month could be applied to the benefit of persons who were retired on the effective date of SB 246.

This bill is a *fiscal* retirement bill which requires an actuarial study included in these minutes.

Chairman Golden asked for a motion on **SB 246**. Senator Stoner, 6th, made a motion **SB 246 Do Pass**, and Senator Sims, 12th, seconded the motion. The vote was unanimous (6-0).

SB 246 DO PASS

SB 286 (Heath, 31st) Retirement; tax commissioner or an employee of any such officer; membership; Employees' Retirement System of Georgia

Senator Heath, 31st, presented **SB 286** to the committee. This legislation addressed Tax Commissioners' membership in **ERS**. Tax commissioners and other tax employees hired on or after July 1, 2012 would be prohibited from becoming members of the Employees' Retirement System. The following analysis was shared with the committee:

ANALYSIS

This bill would amend provisions relating to membership of certain county revenue employees in the Employees' Retirement System. Specifically, this bill would affect persons who first or again become a tax commissioner, tax collector, tax receiver, or employee of such officer on or after July 1, 2012. If this legislation was enacted, such persons would be prohibited from becoming members of the ERS. Any member who was employed in such position prior to such date would remain a member of the System, provided there was no break in service. The reelection of any officer would not constitute a break in service.

This bill is a *fiscal* retirement bill which required an actuarial study included in these minutes.

Chairman Golden asked for a motion on **SB 286**. Senator Millar, 40th, made a motion **SB 286 Do Pass**, and Senator Bethel, 54th, seconded the motion. The vote was unanimous (6-0).

SB 286 DO PASS

With no further business, Chairman Golden, 8th, adjourned the meeting at 3:30 p.m.

Respectfully submitted,

/s/ Senator Charlie Bethel, 54th, Secretary

/s/ Laurie Sparks, Recording Secretary

MINUTES OF THE SENATE RETIREMENT COMMITTEE
Thursday, February 16, 2012

The Senate Retirement Committee held its third meeting of the 2012 Session on Thursday, February 16, 2012, in room 125 of the Capitol. Chairman Tim Golden called the meeting to order at 3:05 p.m. Members present at the meeting were as follows:

Senator Tim Golden, 30th, Chairman
Senator Fran Millar, 40th, Vice Chair
Senator Charlie Bethel, 54th, Secretary
Senator Emanuel Jones, 10th
Senator Doug Stoner, 6th,
Senator Lindsey Tippins, 37th
Senator Bill Heath, 31st, Ex-Officio

NOTE: Senator Sims, 12th, was absent from the meeting.

Chairman Golden called the meeting to order.

SB 402 (Golden, 8th) "Employees' Retirement System of Georgia Enhanced Investment Authority Act"; define certain terms relating to certain types of investments

Chairman Golden, 8th, presented a substitute to **SB 402 (LC 21 1671S)** to the committee. This legislation created the **Employees' Retirement System of Georgia Enhanced Investment Authority Act**, and would permit eligible large retirement systems to invest up to 5 percent of their assets into alternative investments. This legislation also provides for compliance standards, confidentiality of certain information, and annual reports to the House and Senate Retirement Committees. The following analysis was shared with the committee:

ANALYSIS

This bill would authorize "eligible large retirement systems" to invest up to 5 percent of the retirement systems' assets in alternative investments, in the aggregate, at any time. The types of alternative investments permitted to be invested in were delineated in the bill. The Teachers Retirement System was **excluded** from making these alternative investments.

Definitions

This bill defines "alternative investment" and "eligible large retirement system."

An alternative investment could be one of three investments:

- Privately placed investment pools, including private investment funds;
- Private placements and other private investments; and
- Distributions in kind received by the system in connection with the above two investments.

An eligible large retirement system includes the following, but **does not include the Teachers Retirement System of Georgia**:

- Any retirement system under Title 47 which had an unfunded actuarial accrued liability (UAAL) less than 25 percent of its total assets;
- The Georgia Municipal Employees Benefit System;

- Any similar political subdivision that contracts with its members for the pooling of assets;
- Any system not included above which:
 - Has an UAAL less than 25 percent of its total assets or has assets exceeding \$50 million and an UAAL less than 30 percent of its total assets;
 - Provides a defined benefit plan;
 - Manages its investments by an independent professional investment manager recognized by the National Association of Securities Dealer and the Securities and Exchange Commission who adhere to the Association for Investment Management and Research's code of ethics; and,
 - Limits its investments to equities of investment grade quality or better.
- Any system with more than \$200 million in assets.

Calculating the 5 Percent

In determining whether a system's investments have exceeded 5 percent, the following calculation would be used: the amount of investments that were not alternative divided by the amount of all investments, including alternatives.

Limiting Exposure of an Alternative Investment

An alternative investment could not exceed 20 percent, in the aggregate, in:

- Capital invested in private pools, and
- Securities issued in private placement.

Each alternative investment would be required to have previously been or currently be committed to be made by at least four other investors. The other investors would be required to invest on substantially the same terms as this law, to the extent they are similarly situated within the system.

Alternative investments would be limited to those pools and issuers with at least \$100 million in assets.

Limitations on Alternative Investments

Alternative investments could not, in the aggregate, exceed 5 percent of the system's assets. The Board of Trustees would have the discretion to designate an investment as alternative in considering its calculation of the five percent cap.

If a system was out of compliance with this limitation, it would be required to make a good faith effort to comply within two years. During the period of noncompliance, the system would not be allowed to increase the percentage of assets in alternative investments, but would be permitted to continue making the investments required by its current commitments made.

Initial Yearly Caps on Alternative Investments – Applicable Only to ERS

Only one percent of ERS assets could be invested in new alternatives per year. When the amount of assets in alternative investments reaches 4 ½ percent of the system's total assets, the yearly limitation would cease, and there would be no percentage limits per year, except for the 5 percent total cap discussed above.

Transparency and Open Records

A system could, in its discretion, withhold from public inspection and treat as confidential all information prepared or provided by an issuer of any alternative investment or by a retirement system holding alternative investments, whether the investments were potential or real.

A system would be required to make the following information available if it was available or maintained in the normal course of business, one year after the information is created:

- Name of the alternative investment, but not information regarding private pool investments;
- Date of the first alternative investment;
- The aggregate dollar amount invested in alternatives at the end of a fiscal quarter;
- The aggregate dollar amount and value of in-kind distributions the system received;
- The internal rate of return of the asset class; and
- The remaining cost of alternative investments at the end of a fiscal quarter.

Records officers otherwise entitled to this information would not be restricted, but the information would have confidential status with the officers.

Unless it was public, information prepared or maintained by the system or an alternative investment firm would be confidential and not open to public inspection.

Reporting Requirements

The director of a system would be required to provide a report to the Senate and House Retirement Committees and the Governor on the third Monday of each January. The report would include the performance of investments, including a clear statement of aggregate loss and profit for the past year.

Miscellaneous

The Boards of Trustees of participating systems would be required to adopt a Code of Ethics related to alternative investments.

Funds invested and returns on investment would be required to remain funds of the investing retirement system.

This bill was certified as a *nonfiscal* retirement bill as defined in the Public Retirement Systems Standards Law.

Testimony in favor of the legislation:

Jim Poitvin and **Kelly Moody**, ERS

Tom Gehl, GMA

Megan Middleton, City of Atlanta

Charlie Roberts, GRTA

Testimony in opposition to the legislation:

Chuck Freedman, GSRA

Bill Tomlinson, GSRA

Chairman Golden asked for a motion on **SB 402**. Senator Stoner, 6th, made a motion ***SB 402 Do Pass by Substitute***, and Senator Heath, 31st, seconded the motion. The vote was unanimous (6-0).

SB 402 DO PASS BY SUBSTITUTE

With no further business, Chairman Golden, 8th, adjourned the meeting at 3:40 p.m.

Respectfully submitted,

/s/ Senator Charlie Bethel, 54th, Secretary

/s/ Laurie Sparks, Recording Secretary

MINUTES OF THE SENATE RETIREMENT COMMITTEE
Tuesday, February 21, 2012

The Senate Retirement Committee held its fourth meeting of the 2012 Session on Tuesday, February 21, 2012, in room 125 of the Capitol. Chairman Tim Golden called the meeting to order at 3:05 p.m. Members present at the meeting were as follows:

Senator Tim Golden, 30th, Chairman
Senator Charlie Bethel, 54th, Secretary
Senator Emanuel Jones, 10th
Senator Freddie Powell Sims, 12th
Senator Bill Heath, 31st, Ex-Officio

NOTE: Senators Millar, 40th, Stoner, 6th, and Tippins, 37th were absent from the meeting.

NOTE: Senator Jones, 10th, left the meeting when it was determined he wasn't needed for a quorum.

Chairman Golden called the meeting to order.

HB 295 (Maxwell, 17th) Georgia State Employees Pension and Savings Plan; transfer of accrued benefit; provide

Representative Maxwell, 17th, presented **HB 295** to the committee. This legislation would provide a method of calculating accrued benefits for transfers between GSEPS under the ERS and the TRS. The following analysis was shared with the committee:

ANALYSIS

This bill would provide a method of calculating accrued benefits for persons subject to the Georgia State Employees Pension and Savings Plan (GSEPS), who transfer between the Employees' Retirement System of Georgia (ERS) and the Teachers Retirement System of Georgia (TRS) with retirement benefits being calculated on a pro-rated basis.

This legislation would prevent an individual from unjustly gaining extra benefits or losing accrued benefits because of a transfer between systems. An individual could have nine years of TRS service and then transfer to the GSEPS plan (under ERS) and lose the benefit he had under TRS because TRS has a 2 percent formula and ERS was a 1 percent formula under GSEPS. This difference in percentages was an oversight when the new GSEPS plan was passed in 2008, and created a windfall situation for some and a huge loss for others.

Under this legislation, if a non-vested GSEPS member of ERS transfers to TRS, the member would retain his 1% GSEPS ERS formula for the period he worked under ERS, and then would begin the 2% TRS formula once the transfer to TRS occurred. The inverse of this would occur in the case of a non-vested transfer from TRS to GSEPS.

At the time the membership transferred, the transferring system would:

- Calculate the accumulated benefit using the service and compensation at the time of the transfer;
- Calculate present value of the accrued benefit using methods and assumptions adopted by the board; and

- Transfer to the Employees' Retirement System of Georgia the greater of the present value of the accumulated benefit or the balance of the employee contributions and interest.

This bill is a *fiscal* retirement bill as defined in the Public Retirement Systems Standards Law which requires an actuarial study included in these minutes.

Chairman Golden asked for a motion on **HB 295**. Senator Bethel, 54th, made a motion **HB 295 Do Pass**, and Senator Sims, 12th, seconded the motion. The vote was unanimous (4-0).

HB 295 DO PASS

NOTE: Senator Heath, 31st, agreed to be the Senate sponsor of **HB 295**.

SB 456 (Bethel, 54th) Georgia Firefighters' Pension Fund; change amount of dues required

Senator Bethel, 54th, presented **SB 456** to the committee. This legislation would change the **Georgia Firefighters' Pension Fund** dues amount. The following analysis was shared with the committee:

ANALYSIS

This bill would amend provisions relating to dues required of members under the Georgia Firefighters' Pension Fund. Currently, all members pay monthly dues to the Fund in the amount of \$15.00. If this legislation is enacted, the monthly dues would be increased to \$25.00.

This bill is a *nonfiscal* bill as defined in the Public Retirement Systems Standards Law.

Testimony in favor:

Jim Meynard, Firefighters' Pension Fund

Testimony with concerns, but not opposed:

Scott Carter, Georgia Firefighter's Association

Senator Heath had several questions regarding the need for a 66% increase in dues at this time. **Jim Meynard** stated that the increase was needed to take care of a projected shortfall in years ahead, and that there had not been an increase in dues since 1988. They felt \$25 was a reasonable increase to cover the projected loss if things continued trending at the current pace. **Scott Carter**, representing the Georgia Firefighter's Association, supported the increase if it could happen in increments, and if the dates for the increases were listed with the municipal fiscal year being considered in the selection of the dates. He made these suggestions out of concern for the burden an increase from \$15 to \$25 in dues might place on volunteer fire departments and departments in rural areas.

Chairman Golden tabled **SB 456** for further work.

SB 456 TABLED

With no further business, Chairman Golden adjourned the meeting at 3:30 p.m.

Respectfully submitted,

/s/ Senator Charlie Bethel, 54th, Secretary

/s/ Laurie Sparks, Recording Secretary

MINUTES OF THE SENATE RETIREMENT COMMITTEE
Wednesday, March 14, 2012

The Senate Retirement Committee held its fifth meeting of the 2012 Session on Wednesday, March 14, 2012, in room 125 of the Capitol. Chairman Tim Golden called the meeting to order at 8:35 a.m. Members present at the meeting were as follows:

Senator Tim Golden, 30th, Chairman
Senator Fran Millar, 40th, Vice Chair
Senator Charlie Bethel, 54th, Secretary
Senator Freddie Powell Sims, 12th
Senator Doug Stoner, 6th

NOTE: Senators Jones, 10th, Tippins, 37th, and Heath, 31st, were absent from the meeting.

Chairman Golden called the meeting to order.

HB 183 (Maxwell, 17th) General Assembly members; members of Georgia Legislative Retirement System; provisions

Representative Maxwell, 17th, presented **HB 183** to the committee. This legislation would allow General Assembly members to make irrevocable elections to become members of the Legislative Retirement System. It also would require public employers to notify the Board of Trustees if they hire a retired plan member. The following summary was shared with the committee:

ANALYSIS

This bill would allow each person who first or again becomes a member of the General Assembly on or after July 1, 2012 to make an irrevocable election at the beginning of each term of office to become a member of the Georgia Legislative Retirement System (“LRS”). This election would be required within two months of taking office as a member of the General Assembly. Any LRS member who was elected to a consecutive term of office would not be required to reapply each term. Additionally, any person who was a member of the General Assembly serving on July 1, 2012, and who previously elected against becoming an LRS member, would be allowed to make an irrevocable election to join LRS. Such persons would be authorized to obtain creditable service for prior service as a member of the General Assembly, provided they paid the full actuarial cost of the service. Service earned as a member of the General Assembly and LRS could not be used as creditable service with any other public retirement or pension system in the state.

Currently, retired members can continue to receive retirement benefits if they return to work for the State, provided they do not exceed 1,040 work hours annually. If this legislation is enacted, any “public employer” would be required to notify the Board of Trustees if they hire a retired plan member. Such notification would be required within 30 days of the acceptance for employment, and must indicate the number of work hours the retiree expects to work on an annual basis. If the Board of Trustees is not properly notified, either the retired member or the employer would be held liable for any overpayment of benefits made to the retired member.

This bill is a *fiscal* bill as defined in the Public Retirement Systems Standards Law which requires an actuarial study included in these minutes.

Chairman Golden asked for a motion on **HB 183**. Senator Bethel, 54th, made a motion **HB 183 Do Pass**, and Senator Millar, 40th, seconded the motion. The vote was unanimous (4-0).

HB 183 DO PASS

NOTE: Yeas were Bethel, Millar, Sims and Stoner.

NOTE: Senator Golden, 8th, agreed to be the Senate sponsor of **HB 183**.

HB 208 (Maxwell, 17th) Employees' Retirement System of Georgia; define a certain term

Representative Maxwell, 17th, presented **HB 208** to the committee. This bill addresses the issue of retired teachers who return to full-time service under the **Teachers Retirement System**. The following analysis was shared with the committee:

ANALYSIS

Currently, a retired teacher can return to full-time service as a classroom teacher, principal, superintendent, media specialist, or counselor and continue to receive retirement benefits from the Teachers Retirement System. The provisions allowing are to be automatically repealed on June 20, 2016 under current law. This legislation will change the automatic repeal date to June 30, 2013.

This bill is a **nonfiscal** bill as defined in the Public Retirement Systems Standards Law.

Testimony in support was given by **Charlie Roberts, GREA**, who also wanted to acknowledge the fine educators who stepped up to the plate by coming out of retirement to fill positions when there was a shortage of qualified applicants to fill open positions in the past. The committee agreed that they were appreciative of all teachers in the state of Georgia and recognized the valuable contribution of our retired educators.

Chairman Golden asked for a motion on **HB 208**. Senator Millar, 40th, made a motion **HB 208 Do Pass**, and Senator Sims, 12th, seconded the motion. The vote was unanimous (4-0).

HB 208 DO PASS

NOTE: Yeas were Bethel, Millar, Sims and Stoner.

NOTE: Senator Bethel, 54th, agreed to be the Senate sponsor of **HB 208**.

HB 250 (Weldon, 3rd) Georgia Judicial Retirement System; revised survivor's benefit option; provisions

Representative Weldon, 3rd, presented **HB 250** to the committee. This legislation addresses **Georgia Judicial Retirement System** survivor's benefits and would provide for a refund of accumulated contributions to be paid to a designated beneficiary in certain circumstances. It would also authorize some JRS members to obtain spouses' benefits in certain instances. The following analysis was shared with the committee:

ANALYSIS

This legislation would provide for a refund of accumulated contributions if the total value of benefits paid out to a Judicial Retirement System (“JRS”) member and the designated survivor do not equal or exceed the member’s accumulated contributions at the time of his or her retirement. Such refund would be paid to the individual designated by the member or survivor, or to the estate if no individual has been designated to receive the refund.

This legislation would allow certain persons who are members of the JRS prior to July 1, 2012 to obtain a spouse’s benefits even though the member had previously rejected such benefits. The member would be required to notify the Board of such election and pay the amount necessary to grant the benefit without creating any accrued actuarial liability. This bill specifies that the member must have at least ten years of membership service in order to vest for a spouse’s benefits. It should be noted that this option would not be available to persons who were members of the predecessor retirement systems.

This bill would also provide for a revised survivors’ benefit option for persons who become members of the JRS on or after July 1, 2012. Such members would have four options for receiving retirement allowances. This bill includes provisions to change the election in the event of marriage, divorce, or death of the survivor.

This bill is a *fiscal* retirement bill as defined in the Public Retirement Systems Standards Law which requires an actuarial study included in these minutes.

Chairman Golden asked for a motion on **HB 250**. Senator Stoner, 6th, made a motion **HB 250 Do Pass**, and Senator Bethel, 54th, seconded the motion. The vote was unanimous (4-0).

HB 250 DO PASS

NOTE: Yeas were Bethel, Millar, Sims and Stoner.

NOTE: Senator Bethel, 54th, agreed to be the Senate sponsor of **HB 250**.

HB 424 (Weldon, 3rd) Superior Court Clerks' Retirement Fund; death benefit for members; provide

Representative Weldon, 3rd, presented **HB 424** to the committee. The following analysis was shared with the committee:

ANALYSIS

Currently, a death benefit in the amount of \$5,000 is paid to a designated beneficiary of any Superior Court Clerks’ Retirement Fund (“Fund”) member who dies while in service. If this legislation is enacted, the Fund would also pay this death benefit on behalf of retired members.

This bill is a *fiscal* retirement bill as defined in the Public Retirement Systems Standards Law which requires an actuarial study included in these minutes.

Chairman Golden asked for a motion on **HB 424**. Senator Millar, 40th, made a motion **HB 424 Do Pass**, and Senator Stoner, 6th, seconded the motion. The vote was unanimous (4-0).

HB 424 DO PASS

NOTE: Yeas were Bethel, Millar, Sims and Stoner.

NOTE: Senator Bethel, 54th, agreed to be the Senate sponsor of **HB 424**.

With no further business, Chairman Golden adjourned the meeting at 9:10 a.m.

Respectfully submitted,

/s/ Senator Charlie Bethel, 54th, Secretary

/s/ Laurie Sparks, Recording Secretary

MINUTES OF THE SENATE RETIREMENT COMMITTEE
Tuesday, March 20, 2012

The Senate Retirement Committee held its sixth meeting of the 2012 Session on Tuesday, March 20, 2012, in room 125 of the Capitol. Chairman Tim Golden called the meeting to order at 3:00 p.m. Members present at the meeting were as follows:

Senator Tim Golden, 8th, Chairman
Senator Fran Millar, 40th, Vice Chair
Senator Charlie Bethel, 54th, Secretary
Senator Freddie Powell Sims, 12th
Senator Doug Stoner, 6th
Senator Bill Heath, 31st, Ex-Officio

NOTE: Senators Jones, 10th, and Tippins, 37th, were absent from the meeting.

Chairman Golden called the meeting to order.

HB 351 (Maxwell, 17th) Probate Courts Retirement Fund of Georgia; probate court fines and fees; provide

Representative Maxwell, 17th, presented **HB 351** as legislation that addresses the fines paid to the Judges of the Probate Courts Retirement Fund of Georgia. This bill is a *nonfiscal* retirement bill as defined in the Public Retirement Systems Standards Law.

The following analysis was shared with the committee:

ANALYSIS

Currently, the portion of fines paid in criminal and quasi-criminal cases to the Judges of the Probate Courts Retirement Fund of Georgia is based on a scale. This bill changes the portion of fines paid to a flat amount of \$3.00, provided the case was tried before a judge of the probate court. The money shall be collected by the judge, clerk of court or other collecting authority.

Chairman Golden, 8th, asked if there were any members with questions. Senators Millar, Bethel and Heath all had questions about the condition of the fund, the benefit paid, and the length of time that has passed since there have been any changes made. Representative Maxwell called on **Bob Carter**, representing the members of the Probate Courts Retirement Fund, to answer their questions. Mr. Carter stated that it had been twenty years or more since any changes had been made to the fund. The fund is currently funded at 87% and that the benefit paid at the maximum was \$36,000 no matter what the rate of pay was at retirement. Senator Heath was not comfortable with the bill and did not see the necessity for any changes since the fund is healthy compared to other states and asked recognition from the Chairman on a motion of *Do Not Pass*. Chairman Golden did not recognize Senator Heath's motion. Instead, feeling that some of Senator Heath's misgivings might be addressed with further conversation, Chairman Golden decided to table the bill for discussion at a later time.

HB 351 TABLED

NOTE: Senator Heath, 31st, left the meeting.

HB 928 (Riley, 50th) Peace Officers' Annuity and Benefit Fund; board of trustees authorized to employ a hearing officer; provide

Representative Riley, 50th, presented **HB 928** to the committee. This bill is a *nonfiscal* retirement bill as defined in the Public Retirement Systems Standards Law. She stated the intent of this legislation was to authorize the POAB Board to appoint and compensate a hearing officer in any contested case, not just disability benefits cases.

The following analysis was shared with the committee:

ANALYSIS

Currently, the Peace Officers' Annuity and Benefit Fund ("POAB") Board could only appoint and compensate a hearing officer for cases involving disability benefits. This legislation would authorize the POAB Board to appoint and compensate a hearing officer for the purpose of holding hearings, compiling evidence and information, and submitting evidence, information, and recommendations to the Board in any contested case. The procedures for contested cases in front of hearing officers would be the same as those for current disability benefits cases.

There was no testimony for or against the legislation. Chairman Golden, 8th, asked for a motion on the legislation. Senator Millar, 40th, moved ***HB 928 Do Pass***. Senator Bethel, 54th, seconded the motion. **HB 928** passed unanimously (4-0).

HB 928 DO PASS

NOTE: Yeas were Senators Golden, Millar, Bethel and Sims

NOTE: Senator Bethel, 54th, agreed to be the Senate sponsor of **HB 928**.

NOTE: Senator Heath, 31st, returned to the meeting.

HB 987 (Riley, 50th) Peace Officers' Annuity and Benefit Fund; member who ceases to be employed shall notify the retirement fund immediately; provide

Representative Riley, 50th, presented **HB 928** to the committee. This bill is a *nonfiscal* retirement bill as defined in the Public Retirement Systems Standards Law. She stated the intent of this legislation is to require POAB members to notify the Board of employment or job description changes, and to prohibit the Board from receiving certain dues or paying benefits calculated on certain service.

The following analysis was shared with the committee:

ANALYSIS

This legislation would require a member of the Peace Officers' Annuity and Benefit Fund ("POAB") to notify the Board immediately if he or she has a change in employment or in job description that no longer qualifies him or her as a "peace officer" as defined in O.C.G.A. § 47-17-1. The Board would be prohibited from receiving dues from such a member. Additionally, the Board may not pay benefits calculated on service after such change of employment or job description.

There was no testimony for or against the legislation. Chairman Golden, 8th, asked for a motion on the legislation. Senator Millar, 40th, moved **HB 987 Do Pass**. Senator Bethel, 54th, seconded the motion. **HB 987** passed unanimously (4-0).

HB 987 DO PASS

NOTE: Yeas were Senators Millar, Bethel, Heath and Sims.

NOTE: Senator Bethel, 54th, agreed to be the Senate sponsor of **HB 987**.

HB 635 (Lucas, 139th) Macon Water Commissioners - Pension Plan; change provisions

Chairman Golden presented **HB 635** to the committee on behalf of Representative Lucas. This is a *fiscal* retirement bill as defined in the Public Retirement Systems Standards Law and received an actuarial study. This legislation addressed would close the Macon Water Commission Pension Plan and establish a new defined contribution component for new hires.

The following analysis was shared with the committee:

ANALYSIS

This bill would exclude individuals whose date of hire is on or after July 1, 2012 from entering the Macon Water Commissioners Pension Plan, and existing participants would have the right to elect participation in a new plan established by the Board. This bill would amend the definitions of “final average monthly compensation,” used to calculate retirement benefits, and of “disability,” to exclude disabilities caused by self-inflicted injuries and disabilities occurring during the commission of a crime. The bill also changes provisions to ensure the Plan complies with IRS regulations.

There was no testimony for or against the legislation. Chairman Golden, 8th, asked for a motion on the legislation. Senator Millar, 40th, moved **HB 635 Do Pass**. Senator Bethel, 54th, seconded the motion. **HB 635** passed unanimously (4-0).

HB 635 DO PASS

NOTE: Yeas were Senators Millar, Bethel, Heath and Sims.

NOTE: Senator Staton, 18th, agreed to be the Senate sponsor of **HB 635**.

HB 542 (Powell, Jay 171st) Employees' Retirement System of Georgia; transfer service credit; provide

Representative Powell, 171st, presented **HB 542** to the committee. This is a *fiscal* retirement bill as defined in the Public Retirement Systems Standards Law, and received an actuarial study which is included in these minutes. The intent of this legislation is to amend provisions related to the transfer of service from the Judicial Retirement system (JRS) to the Employees' Retirement System (ERS).

The following analysis was shared with the committee:

ANALYSIS

Any member of ERS who was previously an active member of the JRS and who had not withdrawn his or her employee contributions from JRS would have the option to elect to have all JRS contributions made by and on behalf of the member transferred to ERS with regular interest thereon. The member would be authorized, but not required, to supplement the transferred contributions with any amount the member desires. Additionally, this bill provides that a member of ERS who was previously a member of JRS and withdrew his or her contributions may pay to ERS any amount he or she desires. Upon receipt of the funds, the ERS would be required to credit the member with the number of years of creditable service as the amounts transferred or paid by the member warrants without creating any accrued liability to ERS and not exceeding the years of service earned while a member of JRS.

There was no testimony for or against the legislation. Chairman Golden, 8th, asked for a motion on the legislation. Senator Bethel, 54th, moved **HB 542 Do Pass**. Senator Millar, 40th, seconded the motion. **HB 542** passed unanimously (4-0).

HB 542 DO PASS

NOTE: Yeas were Senators Millar, Bethel, Heath and Sims.

NOTE: Senator Golden, 8th, agreed to be the Senate sponsor of **HB 542**.

NOTE: Senator Stoner, 6th, arrived at the meeting.

HB 337 (Greene, 149th) Sheriffs' Retirement Fund of Georgia; divorced member option to continue coverage; provisions

Representative Greene, 149th, presented **HB 337** to the committee. This bill is a *fiscal* bill as defined in the Public Retirement Systems Standards Law. The actuarial study found that the cost of this legislation on the Sheriffs' Retirement System would be negligible, resulting in a cost or savings of less than \$1,000 in the first year.

The following analysis was shared with the committee:

ANALYSIS

This bill would allow a retired member who had elected spouses' benefits to revoke such election in the event of a divorce. If the member remarries at a later time, the member would be authorized to reinstate spouses' benefits. The benefit to be paid to the member would be adjusted actuarially based on the age of the member and the new spouse.

There was no testimony for or against the legislation. Chairman Golden, 8th, asked for a motion on the legislation. Senator Sims, 12th, moved **HB 337 Do Pass**. Senator Bethel, 54th, seconded the motion. **HB 337** passed unanimously (5-0).

HB 337 DO PASS

NOTE: Yeas were Senators Millar, Bethel, Heath, Sims and Stoner.

NOTE: Senator Sims, 12th, agreed to be the Senate sponsor of **HB 337**.

HB 944 (Willard, 49th) Official Code of Georgia Annotated; retirement and pensions; revise, modernize, and correct errors or omissions

Representative Willard, 49th, presented **HB 944** to the committee. This bill is a *nonfiscal* retirement bill as defined in the Public Retirement Systems Standards Law.

The following analysis was shared with the committee:

ANALYSIS

This legislation would revise, modernize, and correct errors or omissions in Title 47 of the O.C.G.A. This legislation would only take effect if there are no conflicts between this legislation and any other legislation enacted during the 2012 session of the General Assembly.

There was no testimony for or against the legislation. Chairman Golden, 8th, asked for a motion on the legislation. Senator Millar, 40th, moved ***HB 944 Do Pass***. Senator Bethel, 54th, seconded the motion. **HB 944** passed unanimously (5-0).

HB 944 DO PASS

NOTE: Yeas were Senators Millar, Bethel, Heath, Sims and Stoner.

NOTE: Senator Bethel, 54th, agreed to be the Senate sponsor of **HB 944**.

With no further business, Chairman Golden adjourned the meeting at 4:30 p.m.

Respectfully submitted,

/s/ Senator Charlie Bethel, 54th, Secretary

/s/ Laurie Sparks, Recording Secretary

MINUTES OF THE SENATE RETIREMENT COMMITTEE
Thursday, March 22, 2012

The Senate Retirement Committee held its seventh meeting of the 2012 Session on Thursday, March 22, 2012, in room 125 of the Capitol. Chairman Tim Golden called the meeting to order at 8:30 a.m. Members present at the meeting were as follows:

Senator Tim Golden, 30th, Chairman
Senator Fran Millar, 40th, Vice Chair
Senator Charlie Bethel, 54th, Secretary
Senator Doug Stoner, 8th

NOTE: Senators Jones, 10th, Sims, 12th, Heath, 31st, and Tippins, 37th, were absent from the meeting.

Chairman Golden called the meeting to order and asked for a motion on **HB 351**. Senator Millar, 40th, stated that previous concerns had been addressed and he had no problems with the legislation. Senator Millar then moved **HB 351 Do Pass**. Senator Stoner, 6th, seconded the motion. **HB 351** passed unanimously (4-0).

HB 351 DO PASS

NOTE: Yeas were Senators Golden, Millar, Bethel, and Stoner.

NOTE: Senator Bethel, 54th, agreed to be the Senate sponsor of **HB 351**.

With no further business, Chairman Golden adjourned the meeting at 8:31 a.m.

Respectfully submitted,

/s/ Senator Charlie Bethel, 54th, Secretary

/s/ Laurie Sparks, Recording Secretary

April 3, 2012

Honorable Russell W. Hinton
State Auditor, Georgia Department of Audits
270 Washington Street, S. W., Suite 4-114
Atlanta, GA 30334-8400

Dear Mr. Hinton:

In my capacity as Chairman of the Senate Retirement Committee, I am reporting the following fiscal retirement bills passed out of the Senate Retirement Committee:

SB 246 (Hill, 4th) Retirement; provide an increase in the employee contribution; retirement benefit; conditions (*LC 21 1146*)

SB 286 (Heath, 31st) Retirement; tax commissioner or an employee of any such officer; membership; Employees' Retirement System of Georgia (*LC 21 1003*)

HB 183 (Maxwell, 17th) General Assembly members; members of Georgia Legislative Retirement System; provisions (*LC 21 0920*)

HB 250 (Weldon, 3rd) Georgia Judicial Retirement System; revised survivor's benefit option; provisions (*LC 21 0952*)

HB 337 (Greene, 149th) Sheriffs' Retirement Fund of Georgia; divorced member option to continue coverage; provisions (*LC 21 1089*)

HB 424 (Weldon, 3rd) Superior Court Clerks' Retirement Fund; death benefit for members; provide (*LC 21 1119*)

HB 542 (Powell, Jay 171st) Employees' Retirement System of Georgia; transfer service credit; provide (*LC 21 1300S*)

HB 635 (Peake, 137th) Macon Water Commissioners - Pension Plan; change provisions (*LC 21 1296S*)

If additional information is required, please do not hesitate to contact me.

Sincerely,

/s/ Tim Golden

April 3, 2012

Honorable Bob Ewing
Secretary of the Senate
State Capitol
Room 353
Atlanta, GA 30334

Dear Mr. Ewing:

Along with the minutes of the **Senate Retirement Committee**, I am returning the following Bills:

[SB 242](#)

[SB 287](#)

[SB 456](#)

Respectfully submitted,

/s/ Laurie Sparks
Recording Secretary
Senate Retirement Committee