

**SENATE RETIREMENT COMMITTEE
2014 MEMBERS**

Senator Fran Millar, Chairman
District 40
P.O. Box 88096
Atlanta, GA 30356
Phone: (404) 923-3607
319-B Coverdell Legislative Office Building
Atlanta, GA 30334
Phone: (404) 463-2260
Fax: (404) 657-3217

Senator Dean Burke, Vice Chairman
District 11
1501 Miluli Ave.
Bainbridge, GA 39819
Phone: (229) 243-0152
305-A Coverdell Legislative Office Bldg.
Atlanta, GA 30334
Phone: (404) 656-0040
Fax: (404) 657-7266

Senator Emanuel Jones, Secretary
District 10
P.O. Box 370244
Decatur, GA 30037
Phone: (770) 964-8888
420-D State Capitol
Atlanta, GA 30334
Phone: (404) 656-0502
Fax: (404) 657-9728

Senator Freddie Powell Sims
District 12
5377 Goose Hollow Road
Dawson, GA 31742
305-A Coverdell Legislative Office Building
Atlanta, GA 30334
Phone: (404) 463-5259
Fax: (404) 657-7266

Senator David Lucas
District 26
2594 Saratoga Drive
Macon, GA 31211
Phone: (478) 254-7600
305-A Coverdell Legislative Office Bldg.
Atlanta, GA 30334
Phone: (404) 656-5035
Fax: (404) 657-7266

Senator Tyler Harper
District 7
P.O. Box 798
Ocilla, GA 31774
Phone: (229) 425-4840
301-B Coverdell Legislative Office Bldg.
Atlanta, GA 30334
Phone: (404) 463-5263
Fax: (404) 463-4161

Senator Mike Crane
District 28
P.O. Box 700
Newnan, GA 30264
325-B Coverdell Legislative Office Bldg.
Atlanta, GA 30334
Phone: (404) 656-6446
Fax: (404) 463-1381

Senator Hunter Hill, Ex-Officio
District 6
2451 Cumberland Parkway, Ste. 3439
Atlanta, GA 30339
Phone: (404) 414-1891
323-A Coverdell Legislative Office Bldg.
Atlanta, GA 30334
Phone: (404) 463-2518

SENATE RETIREMENT COMMITTEE RULES

2013-2014

1. Quorum of the Committee shall be four (5) 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
6. All motions shall receive a Second before consideration.
7. The Committee shall convene recess and adjourn upon the order of the Chairman.
8. 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.

9. 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.
10. 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.
11. 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.
12. These rules may be amended upon a motion duly made and subsequently approved by two-thirds of the members of the Committee.
13. 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.

SENATE RETIREMENT COMMITTEE MEETING

DATE, TIME, LOCATION:

The Senate Retirement Committee convened on **February 18, 2014 at 4:00 p.m.** in Room 310 CLOB.

SENATORS PRESENT:

Burke, 11th, Vice Chairman

Jones, 10th, Secretary

Hill, 6th

Sims, 12th

Crane, 28th

Harper, 7th

Meeting was called to order at 4:40pm by Vice Chairman Burke, 11th (Chairman Millar, 40th was out of the Capitol on business).

The following bills were presented to the committee:

SB 52 – LC 21 1873 – Carter, 1st, Amend Chapter 17 of Title 47 of the Official Code of Georgia Annotated, relating to the Peace Officers' Annuity and Benefit Fund, so as to amend a certain definition; to provide that certified peace officers employed by a public entity to perform duties in conjunction with the operation of a public airport shall be eligible for membership in such fund; to provide for credit for prior service; to authorize any such public entity to make contributions to such fund; to provide conditions for an effective date and automatic repeal.

- This bill was not presented by the author. To be rescheduled for a later date.

SB 235 – LC 21 2250S – Albers, 56th, Act to amend Chapter 7 of Title 47 of the Official Code of Georgia Annotated, relating to the Georgia Firefighters' Pension Fund, so as to change the definition of the term "firefighter"; to provide for creditable service for certain prior service; to provide conditions for an effective date and automatic repeal; to repeal conflicting laws; and for other purposes.

- Senator Albers, 56th, presented the bill. Allows part-time firefighters who work 1,040 hours to join the pension fund. Corrects error made years ago that didn't include a part-time firefighter (who works a certain number of hours, is certified, compensated, and performs the function of preventing and suppressing fires) for pension fund purposes. They can also repurchase time lost between 2006 and 2014. This bill was sent out for an actuarial study that found the additional annual cost to the Fund would be \$2,180 for each new member. If 100 part-time firefighters joined the Fund, and purchased two-years of creditable service, the first year cost would be \$218,000. Senator Albers commented that this would affect a small category of people that are in public safety and that the State made a commitment to.

- The reason this bill has a substitute was to correct the description of the bill to include “Peace Officers' Annuity and Benefit Fund” which was left out from the first draft of the bill.
- Jim Meynard, Executive Director, Georgia Firefighter’s Pension Fund stated in his opinion the actuarial study is not complete. It assumes that 100 part-time firefighters would elect to join the fund. There are only 150 certified and uniquely part-time positions and only 13 have worked the required number of hours. Most firefighters work part-time for one department and full-time for another department. Senator Crane stated that the fund is underfunded. The fund increased dues this year. This would result in an increase of \$1.2 million on an annual basis and is only funded by a tax on insurance companies (this is not a burden on the State).

Hill, 6th, made a **motion HB 71 Do Pass by substitute**. Harper, 7th, seconded the motion. The committee voted **unanimously Do Pass by substitute**. Certificate and actuary study were included with the bill.

SB 339 – LC 33 5267 – Stone, 23rd, Act to amend Title 47 of the Official Code of Georgia Annotated, relating to retirement and pensions, so as to revise, modernize, and correct errors or omissions in said title in furtherance of the work of the Code Revision Commission.

- Senator Stone, 23rd, presented the bill. This is a Code Revision Commission Bill. This bill makes technical changes to Title 47 as a result of the Juvenile Justice bill.

Jones, 10th, made a **motion Do Pass**. Crane, 28th, seconded the motion. The committee voted **unanimously Do Pass**. Certificate was included with the bill. No actuary study was needed for this bill.

Senate Retirement Committee was adjourned at 5:17 p.m. by Vice Chairman Burke, 11th.

RESPECTFULLY SUBMITTED,

Senator Emanuel Jones, 10th, Secretary

Donna Nealey, Recording Secretary

SENATE RETIREMENT COMMITTEE MEETING

DATE, TIME, LOCATION:

The Senate Retirement Committee convened on **March 4, 2014 at 4:00 p.m.** in Room 307 CLOB.

SENATORS PRESENT:

Millar, 40th, Chairman

Burke, 11th, Vice Chairman

Jones, 10th, Secretary

Crane, 28th

Harper, 7th

Hill, 6th (voted on HB 646, HB 292 & HB 764 – had to leave early)

Meeting was called to order at 4:10pm by Chairman Millar, 40th.

The following bills were presented to the committee:

HB 646 - LC 21 2222 – Fleming, 121st, Relating to the Magistrates Retirement Fund of Georgia, so as to provide that part-time chief magistrates may become members of such fund; to provide for related matters.

- Rep Fleming, 121st, presented the bill. It allows part-time chief magistrates (for smaller counties) to become members of the Magistrates Retirement Fund (first year cost is \$181,000 - fund is overfunded - from filing fees \$3 add-on). Rep. Fleming found there are only about 12-14 part-time magistrates in the State.
- Tommy Bobbitt, Judge Magistrate Retirement System (Chair – Magistrate Retired Board), No problem in them coming into the system. No buy backs for tenure employees, they will start from scratch. Stated that the system was originally set up for 159 full-time magistrates. They currently have 125. The system will not be affected by the addition of the part-time judges. Part-time means the magistrate is still practicing law. The only other option for Rep. Fleming to allow the part-time magistrates into the system is to make them full-time, however this would require local legislation. Filing fee set by the legislature - this only applies going forward.
- Senator Crane asked salary for a part-time magistrate? (\$50-\$60,000) and asked whether the part-time judges can buy back time?

Hill, 6th, made a **motion Do Pass**. Jones, 10th, seconded the motion. The committee voted **Do Pass. The vote was 4-1**. Yay votes (4): Burke 11th, Harper 7th, Hill 6th, Jones 10th. Nay vote (1): Crane 28th. Certificate and actuary study were included with the bill. Senator Jackson, 24th will be the Senate sponsor.

HB 292 - LC 21 2248S – Battles, 15th, Act to amend Article 5 of Chapter 25 of Title 47 of the Official Code of Georgia Annotated, relating to benefits under the Magistrates Retirement Fund of Georgia, so as to establish the maximum average final monthly compensation calculated in determining benefit.

- Rep Battle, 15th, presented the bill. This bill revises benefit calculation for final distribution to magistrates. It changes monthly dues from a flat rate to a percentage. It establishes a member's maximum average final monthly compensation. It calculates retirement benefits according to a schedule based on county population size. Requires each member to pay dues equal to 3.42% of their maximum average final monthly compensation. Currently members pay \$105 per month. First year cost is \$175,000. Rep. Battles stated that all moneys paid into the Magistrates Retirement Fund will be from fees.
- Senator Crane commented that the bill is raising the maximum average final monthly compensation before we have determined whether the current system plan works or not. The system plan has not paid any benefits out as of yet (only been in existence for 7 years). The current plan requires everyone to pay a flat rate with a final annual compensation cap. This bill goes to monthly compensation brackets based on population. Senator Millar echoed Senator Crane's thoughts by asking Rep. Battles what the purpose of the bill is – making it more equitable. Chief Magistrates from metro counties are generating 40% of the money; smaller counties generate much less, but everyone gets the same amount out. This is not fair.

Hill, 6th, made a **motion Do Pass**. Jones, 10th, seconded the motion. The committee voted **4-1 Do Pass**. Yea votes were (4): Burke 11th, Harper 7th, Hill 6th, Jones 10th. Nay vote (1): Crane 28th. Certificate and actuary study were included with the bill. Senator Ramsey, 43rd, will be the Senate sponsor.

HB 764 - LC 21 2294– Maxwell, 17th, Relating to the Georgia State Employees' Pension and Savings Plan, so as to provide that certain employees shall make employee contributions to such plan at the rate of 5 percent unless otherwise specified.

- Rep Maxwell, 17th, presented the bill. When a new employee joins the State system, this will increase required contribution rate from 1% to 5% of their salary into 401(k). They can continue to opt out or change their contribution rate. Right now the employee is signed up automatically at 1 percent. The employer must provide a 50% match, up to an additional 2% of the employee's compensation. No cost to State - each department has been told to budget 5% from the beginning.
- Senator Millar - Defined contribution plan was started in 2009 – have had an opt-out rate averaging 11%. An additional 64% of employees leave their contributions at 1% of pay. The State is hiring about 6,000-7,000 new employees per year; currently we have 20,000 eligible members but many will leave before vesting. You will not be able to retire by having your 401(k) at 1% - this is long overdue.

Crane, 28th, made a **motion Do Pass**. Jones, 10th, seconded the motion. The committee voted **unanimously Do Pass**. Certificate was included with the bill. No actuary study was needed for this bill.

HB 843 - LC 21 2324– Riley, 50th, Relating to retirement and pensions, so as to change certain provisions to ensure compliance with federal laws and regulations; to change provisions relative to maximum allowable benefits; to provide that certain employees shall have no right to receive as cash certain employer paid employee contributions.

- Rep Riley, 50th, presented the bill. This is strictly a housekeeping bill for the Employees Retirement System and the Teachers Retirement System. It aligns Georgia law with the IRS. The IRS has required this change in Georgia law to keep the ERS and the TRS in compliance with the IRS regulations as they relate to qualified pension plans.

Jones, 10th, made a **motion Do Pass**. Harper, 7th, seconded the motion. The committee voted **unanimously Do Pass**. Certificate was included with the bill. No actuary study was needed for this bill. Senator Bethel, 54th, will be the Senate sponsor.

HB 477 - LC 21 2121 – Powell, 171st, Relating to service creditable toward retirement benefits under the Employees' Retirement System of Georgia, so as to provide for the transfer of service credit from the Georgia Judicial Retirement System to the Employees' Retirement System of Georgia; to provide for the transfer of funds; to provide for the payment for creditable service in the Employees' Retirement System of Georgia for prior service as a member of the Georgia Judicial Retirement System.

- Rep Powell, 171st, was not able to present his bill. Senator Millar, 40th, and Chuck Spahos, Executive Director of the Prosecuting Attorneys' Council, presented the bill. This bill allows service credit from Judicial Retirement System to be transferred to the Employees' Retirement System. Members of the JRS (at this time) can't vest in JRS if they are not re-elected after eight years. If the member takes a State employee job he/she can go into the ERS. This bill allows the member to transfer his or her contributions one time (time of service is calculated by ERS). First cost to the JRS is \$5,000 to amortize the unfunded actuarial accrued liability (JRS members have higher contributions). Mr. Spahos stated that Rep. Powell has said that the \$5,000 has been put in the budget. Any costs in additional years will be done by the employee. This will result in no cost to the ERS – comes from the employee.
- Mr. Spahos informed the Committee that this will only affect a handful of people. Current law allows the transfer of service from ERS to JRS.

Jones, 10th, made a **motion Do Pass**. Burke, 11th, seconded the motion. The committee voted **unanimously Do Pass**. Certificate and actuary study were included with the bill. At the time of the meeting no Senate sponsor has been determined.

Senate Retirement Committee was adjourned at 5:30 p.m. by Chairman Millar, 40th.

RESPECTFULLY SUBMITTED,

Senator Emanuel Jones, 10th, Secretary

Donna Nealey, Recording Secretary

SENATE RETIREMENT COMMITTEE MEETING

DATE, TIME, LOCATION:

The Senate Retirement Committee convened on **March 11, 2014 at 4:00 p.m.** in Room 310 CLOB.

SENATORS PRESENT:

Millar, 40th, Chairman

Burke, 11th, Vice Chairman

Jones, 10th, Secretary

Sims, 12th

Harper, 7th

Crane, 28th (did not vote on HB 601 & HB 974 – arrived late)

Meeting was called to order at 4:10pm by Chairman Millar, 40th.

The following bills were presented to the committee:

HB 935 - LC 21 2379 – Benton, 31st, Relating to retirement and pensions, so as to provide that an exemption from the disclosure of public records shall include local retirement systems; to provide for a biennial actuarial investigation of local retirement system.

- Rep Benton, 31st - the author of the bill did not want this bill to be heard – **taken off the agenda.**

HB 601 - LC 21 2249S – Maxwell, 17th, Relating to the Judges of the Probate Courts Retirement Fund of Georgia, so as to define certain terms; to restrict and repeal an automatic cost-of-living benefit increase; to provide for a portion of fines and forfeited bonds for criminal, quasi-criminal, and civil cases for violating state statutes or traffic laws be paid to the fund; to provide for a member contribution.

- Rep Battle, 15th, presented the bill. Repeals and restricts the 2% automatic COLA in Probate Court Judges' Retirement Fund. It's a fiscal retirement bill and will save \$903,000 in the first year. The purpose of the bill is to increase solvency of the fund.

Burke, 11th, made a **motion Do Pass**. Harper, 7th, seconded the motion. The committee voted **unanimously Do Pass**. Certificate and actuary study were included with the bill. Senator Sims, 12th will be the Senate sponsor.

HB 974 - LC 21 2471S – Maxwell, 17th, Relating to amount of dues, deadline and minimum period for payments, dues required for credit service after March 1, 1951, and dues required for prior service in the Peace Officers' Annuity and Benefit Fund, so as to change the required contribution to receive service credit.

- Rep Maxwell, 17th, presented the bill. It changes the required contribution to receive creditable service in the Peace Officers' Annuity and Benefit Fund. The Committee Substitute makes a technical change to the bill because the original bill did not spell out the actual name of the Fund. Currently, members must pay \$20 a month plus interest. This bill changes it to the way other buy-ins work in other pension funds (amount will be determined by actuary). This is a non-fiscal retirement bill.
- Senator Millar stated that this is a fiscally responsible bill.

Harper, 7th, made a **motion Do Pass by Substitute**. Sims, 12th, seconded the motion. The committee voted **unanimously Do Pass by Substitute**. Certificate is included with the bill. No actuary study needed for this bill. Senator Sims, 12th, will be the Senate sponsor.

HB 761 - LC 21 2402S– Riley, 50th, Relating to the Public Retirement Systems Standards Law, so as to change references to certain Governmental Accounting Standards Board Statements relative to the definition of annual required contribution.

- Rep Riley, 50th, presented the bill. Makes technical changes to references in the Public Retirement Systems Law (ERS/TRS bill). Changes references to the Governmental Accounting Standards Boards Statements No. 25 and 27 in relation to the annual required contribution so that the Code references the versions of these statements in effect on June 15, 2013. Non-fiscal retirement bill.

Harper, 7th, made a **motion Do Pass**. Sims, 12th, seconded the motion. The committee voted **unanimously Do Pass**. Certificate was included with the bill. No actuary study needed for this bill. Senator Bethel, 54th, will be the Senate sponsor.

HB 580 - LC 21 2190 – Weldon, 3rd, Relating to eligibility and application for retirement benefits under the Superior Court Clerks' Retirement Fund, additional or partial retirement benefits, and election to provide both retirement and survivors benefits, so as to provide for a spousal survivor's benefit; to provide for an actuarially reduced member's benefit; to provide for an increase in benefits in the event of the death of the spouse or entry of an order of divorce; to provide conditions for an effective date and automatic repeal.

- Rep Maxwell, 17th, presented the bill. Allows retired members of the superior court clerks' fund to elect spousal benefits. If the member dies before the spouse, the spouse gets 50%. If the spouse dies before the member, the member gets 100%. Have to be married 6 years. This is a fiscal retirement bill. First year costs to the fund would be \$3,295.
- Senator Millar questioned why they have to be married for 6 years? This is currently in the Code. Have to already be retired when get married to elect spousal benefits.
- Sheila Studdard – Clerk's Retirement Fund supports this bill.

Sims, 12th, made a **motion Do Pass**. Burke, 11th, seconded the motion. The committee voted **unanimously Do Pass**. Certificate and actuary study were included with the bill. Senator McKoon, 28th, will be the Senate sponsor.

HB 460 - LC 21 2057 – Weldon, 3rd, Relating to the Georgia Firefighters' Pension Fund, so as to provide that no person under a sentence of confinement shall be eligible for membership in such retirement fund; to provide that a member of such fund shall not accrue creditable service while under a sentence of confinement.

- Rep Maxwell, 17th, presented the bill. Prohibits incarcerated firefighters from joining the pension fund; current members that are incarcerated cannot accrue creditable service. This is a fiscal retirement bill. There is no cost to the fund for this legislation.
- Senator Millar asked if this is a common provision in other retirement plan provisions in current law. Leg Counsel responded no – unsure of the circumstances that gave rise to this bill. Firefighter Pension Fund representative stated that there are some counties that have inmate volunteer firefighter programs. While they have not had any inmates try to join the Fund, the AG's office determined that inmates must be classified as volunteers. The Fund has also clarified this with a volunteer category.
- Morgan Werst and David Luther, Firefighters' Pension Fund, spoke in favor of the bill

Harper, 7th, made a **motion Do Pass**. Sims, 12th, seconded the motion. The committee voted **unanimously Do Pass**. Certificate and actuary study were included with the bill. Senator McKoon, 29th, will be the Senate sponsor.

HB 844 - LC 21 2329– Benton, 31st, Relating to miscellaneous provisions relative to the Georgia Firefighters' Pension Fund, so as to provide that actions intended to defraud the fund shall be a felony; to provide for the forfeiture of all rights under such fund for persons found to have falsely obtained membership or benefits; to provide for notice and the opportunity for a hearing.

- Rep Benton, 31st, presented the bill. Actions to defraud the fund by a felony to provide for the forfeiture of all rights. Increased last year to \$25 to stop the credit of service.
- This bill per the committee was to hold – still a lot of questions into the need for this bill.

HB 937 - LC 21 2378 – Benton, 31st, Relating to the Georgia Firefighters' Pension Fund, so as to define certain terms; to provide for the return of member contribution when a member not in good standing dies.

- Rep Benton, 31st presented his bill - Clarifies that the Firefighters' Pension Fund will return contributions made by a deceased member not in good standing and not vested. Defines the term "good standing" to mean a member of the Fund who is current with all dues and payments to the fund and is still a member of the fund. Contributions will be returned to the member's beneficiary or estate. This is a non-fiscal retirement bill.

Crane, 28th, made a **motion Do Pass**. Burke, 11th, seconded the motion. The committee voted **unanimously Do Pass**. Certificate is included with the bill. No actuary study needed for this bill. Senator Wilkinson, 50th, will be the Senate sponsor.

Senate Retirement Committee adjourned at 4:40 p.m. by Chairman Millar, 40th.

RESPECTFULLY SUBMITTED,

Senator Emanuel Jones, 10th, Secretary

Donna Nealey, Recording Secretary

April 28, 2014

Mr. David Cook
Secretary of the Senate
State Capitol
Atlanta, GA 30334

RE: Senate Retirement Committee
Bills Left In Senate Retirement Committee After The 2014 Session
Bills Passed out of Senate Retirement Committee 2014
Listing Of Committee Meeting Dates

Dear Secretary Cook:

The Senate Retirement Committee respectfully submits the following Senate and House bills and resolutions left in the Senate Retirement committee during the 2014 General Assembly session:

SB52	SB180	SB192	SR782
HB844	HB935		

Please find attached the following documents:

- Minutes for the dates listed below
- Senate Retirement Committee members and their addresses
- Rules for Senate Retirement Committee 2013 session
- Committee legislation report from the website showing all bills/resolutions assigned to Senate Retirement Committee

Listed below are the dates for the Senate Retirement Committee meetings.

- February 18, 2014
- March 4, 2014
- March 11, 2014

Listed below are the 13 Senate and House bills and resolutions that passed out of the Senate Retirement Committee for 2014:

SB235 SB339
HB292 HB460 HB477 HB580 HB601 HB646 HB761 HB764 HB843 HB937 HB974

Thank you.

Sincerely,

Senator Fran Millar
Chairman Senate Retirement Committee
Committee

Donna Nealey
Legislative Assistant Senate Retirement