

Senate Committee on Retirement
2015-2016 Members

Senator Chuck Hufstetler, Chairman
District 52
3 Orchard Springs Drive
Rome, GA 30165
Phone (404) 656-0034

Senator Tyler Harper
District 7
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Ocilla, GA 31774
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Senator Ellis Black, Vice Chairman
District 8
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Phone (229) 559-7546

Senator David Lucas, Sr.
District 26
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Macon, GA 31211
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Senator Emanuel Jones, Secretary
District 10
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Senator Michael Rhett
District 33
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Phone (404) 656-0054

Senator Mike Crane
District 28
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Newnan, GA 30264
Phone (404) 656-6446

Senator Hunter Hill, Ex-Officio
District 6
2451 Cumberland Pkwy, Suite 3439
Atlanta, GA 30339
Phone (404) 463-2518

The **Senate Committee on Retirement** met on February 2, 2015 at 2:00 p.m. in Room 318 CLOB. Members present:

Hufstetler, 52nd, Chairman

Black, 8th, Vice Chairman

Harper, 7th

Rhett, 33rd

Chairman Hufstetler, 52nd opened the meeting by asking everyone to read and review the 2015-2016 Senate Retirement Committee Rules. Senator Black, 8th made a motion to adopt 2015-2016 Committee Rules, seconded by Senator Harper, 7th. The vote was unanimous.

The Chairman reminded members of the committee about the Senate and House Joint Retirement Committee meeting on Wednesday February 4, 2015.

With no further business the meeting adjourned at 2:06 p.m.

Respectfully submitted,

/s/ Senator Hufstetler, 52nd, Chairman

/s/ Kathleen Cominski, Recording Secretary

SENATE COMMITTEE ON RETIREMENT RULES
2015-2016

1. Quorum of the Committees 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 recommendations 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 (All motions must receive a second before consideration):
 - A motion that a bill do pass
 - A motion that a bill do not pass
 - A motion to postpone to a certain time
 - A motion to refer a bill to subcommittee
6. The Committee shall convene, recess, and adjourn upon the order of the Chairman.
7. A bill or resolution will be considered only after the 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/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.

A Joint Meeting of the Senate and House Committees on Retirement met on February 4, 2015 at 3:00p.m. In Room 402 Capitol. Senate Members present were:

Hufstetler, 52nd, Chairman
Black, 8th, Vice Chairman
Harper, 7th
Rhett, 33rd

Chairman Hufstetler, 52nd opened the meeting with prayer and introduced the Senate Committee members and staff that were present.

Chairman Battles, 15th introduced his members and staff. Also mentioned was David Brundrick, Legislative Counsel. David has been working in legislative Counsel for 27 years and this will be his last year as he is retiring. Blake Travis is the newest member of legislative counsel who will be taking David's place on the Retirement Committee.

Representative Battles, 15th explained the process for Retirement legislation. The first year a bill is introduced you request a fiscal note from the State Auditor. During the interim the Committees will meet and discuss each bill to determine which ones will move forward the second year.

Those introducing themselves to the committee:

- *Russell Hinton, Georgia Retirement System Association
- *Jeff Ezell, Teachers Retirement System
- *Morgan Worst, Firefighters
- *Bob Carter, Magistrate and Judicial system
- *Jim Potvin, Employees Retirement System

With no further business the meeting adjourned at 4:00p.m.

Respectfully submitted,

/s/ Senator Hufstetler, 52nd, Chairman

/s/ Kathleen Cominski, Recording Secretary

The **Senate Committee on Retirement** met on March 23, 2015 in Room 307 CLOB at 2:00 p.m. Members present:

Hufstetler, 52nd, Chairman
Black, 8th, Vice Chairman
Crane, 28th
Harper, 7th
Lucas, Sr, 26th
Rhett, 33rd
Hill, 6th, Ex-Officio

The Chairman, 52nd convened the meeting at 2:05 p.m.

HB 217, Maxwell, 17th: Expansion of Allowable Investments for Public Retirement Funds

Representative Maxwell, 17th stated current law dictates what forms of investment that public retirement systems are allowed to invest in. This bill expands the list of allowable investments for public retirement funds to include shares of mutual funds registered with the SEC under the Investment Company Act of 1940, and commingled funds and collective investment funds regulated by the U.S. Department of Treasury, including common and group trusts. ACCG and GMA both supported the bill.

Senator Black, 8th made a motion **Do Pass**, seconded by Senator Hill, 6th. The vote was unanimous. Senator Hufstetler, 52nd will carry the bill in the Senate. (State Auditors Certification attached)

HB 217 Do Pass (LC 43 0099S)

HB 256, Maxwell, 17th: Amendments and Clarification to the Georgia Firefighters' Pension Fund

Representative Maxwell, 17th explained this bill amends provisions of the Georgia Firefighters' Pension Fund to:

- Provide for new definitions;
- Modify the composition of the Board from one retired beneficiary of the fund to one retired member of the fund, to be appointed by the Governor;
- Allow a member to select up to five beneficiaries for optional benefits or for death benefits of an active member;
- Increase the maximum fine imposed on a person who makes false statements from \$500 to \$2,000; and

- Authorize the Board to order a member to forfeit all rights and benefits allowed under the Fund if, after July 1, 2015, they make false statements, obtain benefits they are not entitled to receive, or obtain an amount greater than that which they are entitled to receive.

This bill clarifies provisions of the Georgia Firefighters' Pension Fund, to provide that:

- Certain members who have a break in service greater than 30 days must meet current criteria for active status to be reinstated;
- An active member who leaves work as a firefighter may take a leave of absence and keep his/her contributions in the fund. The member would become "inactive" and would be required to reapply for a leave of absence every two years;
- "Inactive members" may become reinstated as an "active member," provided they meet the eligibility requirements for membership; and
- Active members pay a monthly member contribution of \$25 and members who are in arrears for six months are deemed a suspended member.

No one spoke for or against the bill.

Senator Black, 8th, made the motion **Do Pass**, seconded by Senator Hill, 6th. The vote was unanimous. Senator Albers, 56th will carry the bill in the Senate. (State Auditors Certification attached)

HB 256 Do Pass (LC 43 0070)

HB 266, Battles, 15th: Georgia Retirement Systems Boards of Trustees Subject to Public Retirement Systems Investment Authority Law

Representative Battles, 15th stated he will be working from the Senate Substitute, (LC 43 0150S) which this bill amends general provisions relating to investment and reinvestment of assets of local governments. Current law provides that the power held by the board of trustees of any local retirement system to invest the assets of such retirement system is subject to the laws of Georgia governing domestic life insurance companies.

This bill removes this language and subjects the board of trustees to the Public Retirement Systems Investment Authority Law. This bill further amends the definition of "Employee," relating to the Georgia Municipal Employees Benefit System, to include any appointed or elected member of an employer created pursuant to the charter of a municipal corporation.

Current law provides that mandatory contributions for retirement benefits established under the Georgia Municipal Employees Benefit System must be returned to the employee or his/her estate in the event of death before retirement. This bill clarifies this

provision so that the mandatory contributions are returned to the employee's spouse or his/her estate in the event of death before retirement.

No one spoke for or against the bill.

Senator Lucas, Sr., 26th made a motion **Do Pass by Substitute**, seconded by Senator Black, 8th. The vote was unanimous. Senator Hufstetler, 52nd will carry the bill in the Senate. (State Auditors Certification attached)

HB 266 Do Pass by Substitute (LC 43 0150S)

The meeting adjourned at 2:30 p.m.

Respectfully submitted,

/s/ Senator Hufstetler, 52nd, Chairman

/s/ Kathleen Cominski, Recording Secretary



DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

GREG S. GRIFFIN
STATE AUDITOR
(404) 656-2174

February 17, 2015

The Honorable Howard Maxwell
State Representative
State Capitol, Room 402
Atlanta, Georgia 30334

SUBJECT: State Auditor's Certification
Substitute to House Bill 217
(LC 43 0099S)

Dear Representative Maxwell:

This substitute bill would amend provisions relating to certified and uncertified forms of investments and real estate investments under the Public Retirement Systems Investment Authority Law. Specifically, this bill would expand the list of allowable investments for public retirement funds to include the following:

- Shares of mutual funds registered with the Securities and Exchange Commission of the United States under the Investment Company Act of 1940, and
- Commingled funds and collective investment funds regulated by the Office of the Comptroller of the Currency of the United States Department of the Treasury, including common and group trusts.

This is to certify that this substitute bill is a nonfiscal retirement bill as defined in the Public Retirement Systems Standards Law.

Respectfully,

Greg S. Griffin
State Auditor

GSG/es



DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

GREG S. GRIFFIN
STATE AUDITOR
(404) 656-2174

February 2, 2015

The Honorable Howard Maxwell
State Representative
State Capitol, Room 402
Atlanta, Georgia 30334

**SUBJECT: State Auditor's Certification
House Bill (LC 43 0070)**

Dear Representative Maxwell:

This bill would amend several provisions under the Georgia Firefighters' Pension Fund. Specifically, this bill would:

- Provide new definitions specific to the membership status of members;
- Modify the composition of the Board;
- Allow a member to select up to five beneficiaries for optional benefits or for death benefits of an active member;
- Increase the maximum fine imposed on any person who makes false statements from \$500 to \$2,000; and
- Authorize the Board to order a member to forfeit all rights and benefits entitled to under the Fund if they make false statements, obtain benefits they are not entitled to receive, or obtain an amount greater than they are entitled to receive. This would only apply to improper actions that occurred on or after July 1, 2015.

This bill would also clarify certain provisions under the Georgia Firefighters' Pension Fund. Specific provisions clarified by this legislation include the following:

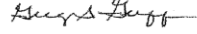
- Certain members who have a break in service greater than 30 days must meet the current criteria for active status in order to be reinstated;
- An active member who leaves work as a firefighter may take a leave of absence and keep his or her contributions in the Fund. The member would become "inactive" and would be required to reapply for a leave of absence every two years;
- "Inactive members" may become reinstated as an "active member" provided they meet the eligibility criteria for membership; and

Retirement Certification for Representative Maxwell
House Bill (LC 43 0070)
February 2, 2015
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- Active members pay a monthly member contribution of \$25 and members who are in arrears for six months will be deemed a suspended member.

This is to certify that this bill is a nonfiscal retirement bill as defined in the Public Retirement Systems Standards Law.

Respectfully,



Greg S. Griffin
State Auditor

GSG/ca



DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

GREG S. GRIFFIN
STATE AUDITOR
(404) 856-2174

March 19, 2015

The Honorable Chuck Hufstetter
State Senator
Coverdell Legislative Office Building, Room 320-A
Atlanta, Georgia 30334

SUBJECT: State Auditor's Certification
Substitute to House Bill 266
(LC 43 0150S)

Dear Senator Hufstetter:

This substitute bill would amend general provisions relating to investment and reinvestment of assets of local governments. Under current statute, the board of trustees of any local retirement system has the full power to invest and reinvest assets of the retirement system and to purchase, hold, sell, assign, transfer and dispose of any securities and other investments. This legislation clarifies that these powers shall be subject to all terms, conditions, limitations, and restrictions imposed by Article 7 of Chapter 20 of Title 47 of the Official Code of Georgia Annotated in making and disposing of their investments. Article 7 is the Public Retirement Systems Investment Authority Law, which governs the investment practices of all public retirement systems.

Additionally, this substitute bill would amend provisions under the Employees' Retirement System that relate to the Georgia Public Defender Standards Council. Specifically, this bill would revise references to the name of the Council to coincide with separate legislation that would officially change the entity's name to the 'Georgia Public Defender Council.'

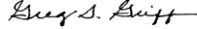
Furthermore, this substitute bill amends certain provisions relating to the Georgia Municipal Employees Benefit System. Specifically, this bill would amend the definition of the term "employee" to include any appointed or elected member of an employer created pursuant to the charter of a municipal corporation of this state. This substitute bill would also clarify provisions relating to the return of mandatory contributions in the event of a member's death before retirement. If this substitute bill is enacted, such contributions

Retirement Certification for Senator Hufstetler
Substitute to House Bill 266 (L.C. 43 0150S)
March 19, 2015
Page 2

would be returned to the member's surviving spouse or to the estate of the member or the member's pre-retirement beneficiary.

This is to certify that this substitute bill is a nonfiscal retirement bill as defined in the Public Retirement Systems Standards Law.

Respectfully,



Greg S. Griffin
State Auditor

GSG/cs

April 6, 2015

Honorable David Cook
Secretary of the Senate
Georgia State Senate
State Capitol
Atlanta, GA 30334

Dear Mr. Secretary:

The Senate Retirement Committee is returning the following Senate Bills.

[SB 149](#)

[SB 150](#)

[SB 152](#)

[SB 243](#)

[SB 246](#)

Respectfully submitted,

/s/Kathleen Cominski
Recording Secretary