



Legislative Update

May 31, 2017



How a Retirement Bill Becomes Law

2017-18 BIENNIAL SESSION

The 2017 legislative session concluded on March 30, 2017, and was the first year of the two-year (2017-2018) biennium session. Retirement legislation introduced in 2017 that has a fiscal impact must be forwarded for an actuarial study in order to remain a valid bill for the 2018 session. Non-fiscal bills do not require an actuarial study and remain valid.

The House Retirement Committee met on May 9, 2017, and voted to forward HB 218 and HB 418 for actuarial studies. These bills remain viable legislation. HB 633 was tabled and not forwarded for an actuarial study. Unless the legislation is reconsidered by the House Retirement Committee, the bill will "die in committee".

The Senate Retirement Committee met on May 22, 2017, and voted to forward SB 293 for an actuarial study.

The State Auditor will provide the respective chairpersons with the actuarial studies showing the cost of each bill. A copy of the actuarial study is attached to the bill and travels with the bill throughout its life. After the actuarial study is completed, the bill may be amended only in such a manner as reduces the cost of the bill. Any substitute or amendment must be accompanied by a certificate from the State Auditor certifying whether the substitute or amendment changes the cost reflected in the actuarial study and, if so, a new actuarial study is required.

For detailed information on how retirement legislation becomes law, please visit www.trsga.com/legislation.

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Supporting Legislation



If you are interested in expressing your support for legislation currently being considered, please contact your State Representative or Senator, as the Legislature is responsible for enacting Georgia law. Please visit www.legis.ga.gov for more information.

- ① Legislation is introduced in the 1st year.
- ② Legislation is assigned to committee (House or Senate depending on the chamber from which the bill is introduced).
- ③ After the session, committee determines if the bill should be forwarded for actuarial study.
 - If forwarded for study, legislative process continues.
 - If not forwarded for study, bill dies in committee.
- ④ In 2nd year, committee receives actuarial study and determines if the bill should pass the committee for consideration by full House or Senate.
- ⑤ If bill passes one chamber, House or Senate, the bill is then transmitted to the other chamber for committee assignment and recommendation.
- ⑥ If the bill passes both chambers, the legislation is then sent to the Governor for his signature or veto.

The complete legislative process for retirement bills is very detailed. For more information, please visit www.trsga.com/Legislation/HowLegislationWorks.



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Legislation

HB 128 and SB 196 are non-fiscal bills that would make the same stylistic sentence structure change. Specifically, the bills delete the wording “.....from its membership a chairman” and insert, “.....a chairperson from among its membership”. These bills do not change the membership of the TRS Board of Trustees.

HB 218 is a fiscal bill that would allow an individual who made an irrevocable election to join the Regents Optional Retirement Plan (ORP) to revoke the election and join the TRS. The individual would also be allowed to establish the previous ORP service by paying any amount they choose; however; TRS will only grant service credit based on the amount funded by the member’s payment without creating any actuarial accrued unfunded liability to TRS. The member will not be granted service credit in excess of the actual years of ORP service.

Any person employed on July 1, 2018, with at least 5 years of university system employment must make the election to transfer and the required payment to TRS no later than December 31, 2018. An individual employed with the university system with less than 5 years of employment, must make the payment anytime during their 6th year of employment. Any person who becomes a university system employee on or after July 1, 2018, and initially elects ORP, must elect the transfer to TRS and make the required payment anytime during the employee’s 6th year of employment.

HB 418 is a fiscal bill that would allow a member to establish service credit for international teaching service. “International teaching service” means service as an educator for at least 30 hours per week at a school located in a foreign country, provided such school is accredited by a recognized regional, national, or international body of accreditation. To establish the service, the member shall apply within ten years of completing such service; establish five years of TRS membership service; submit proof of the international teaching service; and, pay the full actuarial cost of the service. A member may not establish such service with TRS if the service has been or will be used in the determination of eligibility for retirement benefits from another source, excluding social security.

SB 282 was first introduced as a fiscal bill related to the Employees’ Retirement System of Georgia. The bill’s sponsor, Senator Ellis Black, substituted the language and the bill now amends the Public Retirement Systems Standards Law. Any future law, rule, regulation, resolution, or ordinance that allows for the establishment of creditable service in a public retirement system must require payment of the full actuarial cost of the service. The bill authorizes a public retirement system to adopt a procedure allowing the service to be purchased through a payment plan, not to exceed 120 months. This substitute bill is a non-fiscal bill.

SB 293 is a fiscal bill that would require an employer who employs, either directly or indirectly, a TRS retiree, to pay the applicable employee and employer contribution rates. Under the provisions of this bill, the retiree would continue to receive their benefit payment. However, the retiree would not accrue any additional service credit.

HB 633 is a fiscal bill that would allow a TRS retiree to return to work and continue receiving their monthly benefit payment. The retiree would not accrue any additional service credit. An employer who hires a TRS retiree would not be required to pay the employer contributions and the retiree would not be required to pay the employee contributions.