

House Bill 1212

By: Representatives Glaize of the 67th, Mitchell of the 88th, New of the 64th, Gladney of the 130th, and Roberts of the 52nd

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 10 of Chapter 2 of Title 47 of the Official Code of Georgia Annotated,
2 relating to the Georgia State Employees' Pension and Savings, so as to provide for the
3 calculation of the years of vesting service for certain elected officials; to provide for related
4 matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Article 10 of Chapter 2 of Title 47 of the Official Code of Georgia Annotated, relating to the
8 Georgia State Employees' Pension and Savings, is amended by adding a new subsection to
9 Code Section 47-2-357, relating to withdrawal, employer, contributions, vesting, and date
10 of election, to read as follows:

11 "47-2-357.

12 (a) As used in this Code section, the term:

13 (1) '401(k)' means the deferred compensation plan offered by the state for public
14 employees pursuant to Article 3 of Chapter 18 of Title 45 utilizing Section 401(k) of the
15 federal Internal Revenue Code.

16 (2) 'Plan' means the employee savings plan created by this article.

H. B. 1212

17 (b) Each member shall, at the time of becoming a member, be automatically enrolled in
18 the plan; provided, however, that the member shall have a period of 90 days from the date
19 of enrollment to withdraw from the plan. Such withdrawal shall be made in writing to the
20 board of trustees in such form as the board prescribes and any employee account balance
21 shall be returned to the member. Thereafter, participation in the plan shall be voluntary.
22 The member may not withdraw from the plan so long as he or she remains eligible to
23 participate in the 401(k) plan offered by the state.

24 (c)(1) This paragraph shall apply to persons who became members prior to July 1, 2014.
25 Unless the participating member elects otherwise, the member shall, for each pay period,
26 contribute 1 percent of his or her compensation into his or her 401(k) account. The
27 member may change such level of participation at any time.

28 (2) This paragraph shall apply to persons who become members on or after July 1, 2014.
29 Unless the participating member elects otherwise, the member shall, for each pay period,
30 contribute 5 percent of his or her compensation into his or her 401(k) account. The
31 member may change such level of participation at any time.

32 (d)(1) On and after July 1, 2022, for any participating member who contributes a
33 percentage of his or her salary into the 401(k) plan for a pay period, the employer shall
34 contribute an equal amount into his or her 401(k) account up to a maximum of 5 percent
35 except as otherwise provided in paragraph (2) of this subsection.

36 (2) On and after July 1, 2022, in addition to the amounts provided for in paragraph (1)
37 of this subsection, for any participating member who has attained five years or more of
38 creditable service in the plan and contributes at least 5 percent of his or her salary into his
39 or her 401(k) account, such member's employer shall contribute an additional amount
40 equal to 0.5 percent of the member's compensation for each year of such member's
41 creditable service that exceeds five years; provided, however, that the total rate of any
42 employer's contribution pursuant to this subsection shall not exceed 9 percent of the
43 member's compensation.

44 (3)(A) Notwithstanding the provisions of this subsection, employer contributions shall
 45 be subject to the limitations imposed by federal law.

46 (B) The member may make such additional contributions as he or she desires, subject
 47 to limitations imposed by federal law.

48 (e) The board of trustees shall apportion the costs of administering the plan among the
 49 employers and members on the basis of the normal costs of administration against any
 50 special services requested by any member.

51 (f) All contributions by participating members are 100 percent vested and shall be
 52 maintained in an account and invested based on the participant's investment allocation
 53 choices. All employer contributed amounts credited to a member's account shall be
 54 maintained as a matching contribution subaccount and invested based on the participant's
 55 investment allocation choices. Any and all amounts credited to a member's matching
 56 contribution subaccount, including applicable earnings and investment appreciation or
 57 depreciation, shall become vested and nonforfeitable based on the number of employment
 58 service years completed and in accordance with the vesting schedule set forth below:

Years of Service	Employer Nonforfeitable Vested Percentage
1	20
2	40
3	60
4	80
5	100

66 Upon separation from service for greater than 31 days, the portion of such matching
 67 contribution subaccount not so vested shall be transferred from the member's account into
 68 a temporary plan forfeiture accumulation account for future disposition as determined by
 69 the board of trustees. A break in service less than 32 days shall not affect vesting rights.

70 (g) Members electing to be governed by the provisions of this article pursuant to
71 subsection (b) of Code Section 47-2-351 shall use their date of election as the beginning
72 date for purposes of calculating their vesting service for the employer contribution as
73 provided in subsection (f) of this Code section used to calculate the vesting requirements
74 of subsection (f) of this Code section, except that service as provided under Code Section
75 47-2-91 shall not constitute creditable service for this purpose.

76 (h) Members who are elected to a four-year term of office and serve out such full term
77 shall, for purposes of calculating their vesting service for the employer contribution as
78 provided in subsection (f) of this Code section, use the years of such full term as their years
79 of service."

80 **SECTION 2.**

81 This Act shall become effective upon its approval by the Governor or upon its becoming law
82 without such approval.

83 **SECTION 3.**

84 All laws and parts of laws in conflict with this Act are repealed.