

The House Committee on Retirement offers the following substitute to SB 117:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 47 of the Official Code of Georgia Annotated, relating to retirement and  
2 pensions, so as to prohibit the passage of any law, rule, or regulation that allows for  
3 creditable service in a retirement system that does not require an individual to pay the full  
4 actuarial cost of obtaining such creditable service; to revise certain existing laws that do not  
5 have such a requirement; to restrict the amendment of certain existing laws; to exclude any  
6 local retirement system that is not legislatively controlled and the Georgia Municipal  
7 Employees Benefit System from such requirements and restrictions; to provide for optional  
8 payment plans for creditable service; to provide for related matters; to repeal conflicting  
9 laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

12 Title 47 of the Official Code of Georgia Annotated, relating to retirement and pensions, is  
13 amended by revising Code Section 47-2-280, relating to credit for previous service as an  
14 employee of the Peace Officers' Annuity and Benefit Fund and contributions, as follows:

15 "47-2-280.

16 Anything in this chapter to the contrary notwithstanding, any member with prior service  
17 credits who previously was employed by the Peace Officers' Annuity and Benefit Fund  
18 shall be eligible to receive credit for such service with the Peace Officers' Annuity and  
19 Benefit Fund by paying the regular employer and employee's contribution, including  
20 regular interest that would have accumulated on those contributions during such period of  
21 employment. In the computation of such contributions and interest, the compensation of  
22 such member shall be deemed to have been the same as the compensation such member  
23 received on the date of first becoming a member; provided, however, that an individual  
24 who first or again becomes a member on or after July 1, 2019, shall pay the full actuarial  
25 cost associated with obtaining such creditable service."

26

**SECTION 2.**

27 Said title is further amended by revising subsections (e.1) and (f) of Code Section 47-3-60,  
 28 relating to eligibility, termination, leaves of absence, service credit for postgraduate study,  
 29 and transfer of service credit, as follows:

30 "(e.1)(1) For an individual who became a member prior to July 1, 2019, and who did not  
 31 withdraw his or her accumulated contributions on or after July 1, 2019:

32 (A) A member who has not withdrawn ~~the member's~~ his or her contributions to the  
 33 retirement system and who has a break in service of more than four years but not more  
 34 than five years may be reinstated to membership if ~~the member~~ he or she pays a sum  
 35 equal to 12 1/2 percent of ~~the member's~~ his or her salary for the last year of service  
 36 prior to the break in service; or

37 (B) A member who has not withdrawn the member's contributions to the retirement  
 38 system and who has a break in service of more than five years but not more than six  
 39 years may be reinstated to membership if the member pays a sum equal to 25 percent  
 40 of the member's salary for the last year of service prior to the break in service.

41 (2) A member who has not withdrawn the member's contributions to the retirement  
 42 system may be reinstated to membership without paying the reinstatement fees after the  
 43 member renders at least one year of membership service subsequent to the break in  
 44 service.

45 (3) All interest credits shall cease after any such break in service but shall begin again  
 46 on the date of payment of the sum required for reinstatement to membership or on the  
 47 first day of July immediately following the completion of one year of membership service  
 48 following the break in service.

49 (4) The board of trustees may approve the continued membership of:

50 (A) A a member while in the armed forces of the United States or other emergency  
 51 wartime service of the United States; or

52 (B) A a member whose membership would be terminated because of illness which  
 53 prevents the member from rendering the service otherwise required by this Code  
 54 section.

55 (5) The board of trustees may also grant an additional year of leave to a teacher who first  
 56 became a member prior to July 1, 2019, and did not withdraw his or her accumulated  
 57 contributions on or after July 1, 2019, for each child born to or adopted by such teacher  
 58 while on authorized leave.

59 (f)(1) In the event a member who first became a member prior to July 1, 2019, and did  
 60 not withdraw his or her accumulated contributions on or after July 1, 2019, desires to  
 61 pursue a program of full-time study which will require that he or she render less than one  
 62 year of service in a period of five consecutive years and which would otherwise result in

63 termination of his or her membership, the board of trustees may approve a leave of  
 64 absence for study purposes in addition to the normal four-year break in service which the  
 65 member could otherwise take, so that the combined break in service does not exceed six  
 66 years. Such study leave shall be continuous. In no event shall such a member's account  
 67 remain in an active status for longer than six consecutive years for such purpose.

68 (2) A member who undertakes full-time graduate study designed to advance or improve  
 69 his or her training or abilities as a teacher is entitled to receive creditable service for a  
 70 period of graduate study under the following conditions:

71 (A) The member must have been a full-time teacher in the public schools of this state  
 72 or in the University System of Georgia under the board of regents immediately prior to  
 73 the period of graduate study. Any such period of graduate study interrupted solely for  
 74 a period of active duty military service begun during a period in which the military draft  
 75 is in effect shall be deemed not to have been interrupted for purposes of this  
 76 subparagraph;

77 (B) The member must submit a transcript or similar document to the retirement system  
 78 as verification of the graduate study pursued;

79 (C) The member must return to full-time employment as a teacher in the public schools  
 80 of this state or in the University System of Georgia under the board of regents for a  
 81 minimum of five years following such period of graduate study; and

82 (D)(i) For an individual who became a member prior to July 1, 2019, and who did not  
 83 withdraw his or her accumulated contributions on or after July 1, 2019, the ~~The~~  
 84 member must pay the appropriate member contributions plus applicable accrued  
 85 interest in accordance with regulations adopted by the board of trustees on the basis  
 86 of the salary ~~the member~~ he or she was receiving for full-time employment as a  
 87 teacher immediately prior to the period of graduate study; ~~and~~ ~~(E)~~ Either the  
 88 member's present employer or the member must pay the appropriate employer  
 89 contributions and applicable accrued interest thereon if the source of funds from  
 90 which the member was paid immediately prior to his or her period of graduate study  
 91 was other than state funds; or

92 (ii) For an individual who first becomes a member on or after July 1, 2019, the  
 93 member must pay to the retirement system an amount equal to the full actuarial cost  
 94 of obtaining such creditable service.

95 (3) The foregoing provisions of this subsection shall apply to periods of graduate study  
 96 heretofore and hereafter granted, but nothing contained in this subsection shall be  
 97 construed to rescind any creditable service granted prior to July 1, 1981, pursuant to this  
 98 subsection or its predecessors."

99

**SECTION 3.**

100 Said title is further amended by revising subsection (b) of Code Section 47-3-63, relating to  
 101 membership of full-time public school support personnel, employee and employer  
 102 contributions, and creditable service, as follows:

103 "(b) Members (1) who were previously eligible for membership in the Public School  
 104 Employees Retirement System and whose duties were or have been changed in such a  
 105 manner so as to have made them eligible for membership in the Teachers Retirement  
 106 System of Georgia and (2) any personnel specified in subsection (a) of this Code section  
 107 who elect to become members of the Teachers Retirement System of Georgia shall be  
 108 permitted to establish credit for service rendered in a public school system prior to the date  
 109 such employees become or became members of the Teachers Retirement System of  
 110 Georgia, provided that such service would be or would have been normally allowable as  
 111 creditable service under the Public School Employees Retirement System; provided,  
 112 further, that such members must pay the employee contributions on the salary earned by  
 113 such members during the years of service sought to be so established, plus applicable  
 114 accrued regular interest compounded annually to the dates of payment at the rates adopted  
 115 by the board of trustees. Such members or the local boards of education by which the  
 116 members are employed at the time the service is established shall pay the employer  
 117 contributions on the earnable compensation of such members that would have been paid  
 118 to the Teachers Retirement System of Georgia, plus applicable accrued regular interest  
 119 compounded annually to the dates of payment at the rates adopted by the board of trustees,  
 120 and such members who first become members on or after July 1, 2019, shall also pay any  
 121 additional amount necessary to cover the full actuarial cost associated with obtaining such  
 122 creditable service."

123

**SECTION 4.**

124 Said title is further amended by revising subsections (a) and (d) of Code Section 47-3-83,  
 125 relating to service credit for active duty service in the armed forces of the United States and  
 126 limitations on credit for such service if used to obtain other state or federal retirement  
 127 benefits, as follows:

128 "(a) Any person who was on active duty in the armed forces of the United States during  
 129 World War I, World War II, the Korean War, or any period of national emergency may  
 130 receive up to five years of service credit for such military service under the following  
 131 conditions:

132 (1) Prior service credit shall be awarded at no cost to the member for any period of  
 133 military service prior to January 1, 1945; and

134 (2) Membership service credit shall be awarded for any period of active military service  
 135 performed after January 1, 1945, upon payment by the member of the regular employee  
 136 contribution of:

137 (A) Five percent on the earnable compensation last paid to him as a teacher before  
 138 entering military service or if he was not a teacher prior to entering military service 5  
 139 percent on the earnable compensation first paid to him as a teacher after returning from  
 140 military service, whichever the case may be, plus applicable accrued regular interest on  
 141 such employee contributions, compounded annually to date of payment, for any period  
 142 of active military service between January 1, 1945, and July 1, 1961; ~~and~~

143 (B) Six percent on the earnable compensation last paid to him as a teacher before  
 144 entering military service or if he was not a teacher prior to entering military service 6  
 145 percent on the earnable compensation first paid to him as a teacher after returning from  
 146 military service, whichever the case may be, plus applicable accrued regular interest on  
 147 such employee contributions, compounded annually to date of payment, for any period  
 148 of active military service subsequent to July 1, 1961; and

149 (C) An amount equal to the full actuarial cost of obtaining such creditable service for  
 150 an individual who first becomes a member on or after July 1, 2019; provided, however,  
 151 that the provisions of Code Section 47-1-62 shall control for returning veterans covered  
 152 by such Code section."

153 "(d) In addition to creditable service authorized by subsections (a) and (b) of this Code  
 154 section, but subject to the limitations of subsection (c) of this Code section, a member who  
 155 was on active duty in the armed forces of the United States during any period when a  
 156 military draft was in effect and who was honorably discharged from military service may  
 157 receive credit for such military service under the following conditions:

158 (1) The total amount of creditable service for military service which may be received  
 159 under all provisions of this Code section may not exceed five years;

160 (2)(A) For an individual who became a member prior to July 1, 2019, and did not  
 161 withdraw his or her accumulated contributions on or after July 1, 2019, the ~~The~~ member  
 162 shall pay to the board of trustees the regular employee and employer contributions  
 163 which would have been paid during the period for which creditable service is claimed  
 164 based on the compensation of the member upon first becoming a teacher after the  
 165 completion of the military service plus applicable accrued regular interest on such  
 166 employee and employer contributions compounded annually to date of payment; or

167 (B) For any individual who first becomes a member on or after July 1, 2019, or  
 168 withdraws his or her accumulated contributions on or after July 1, 2019, the member  
 169 shall pay the full actuarial cost associated with obtaining such creditable service; and

170 (3) No creditable service for military service may be obtained pursuant to the authority  
 171 of this subsection if creditable service for the same military service has been or may be  
 172 obtained under subsection (a) or (b) of this Code section."

173 **SECTION 5.**

174 Said title is further amended by revising Code Section 47-3-84, relating to credit for service  
 175 rendered by members who have breaks in membership and payments required to obtain such  
 176 credit, as follows:

177 "47-3-84.

178 (a) Any provision of this chapter to the contrary notwithstanding, any teacher who became  
 179 a member prior to July 1, 2019, and who did not withdraw his or her accumulated  
 180 contributions on or after July 1, 2019, shall be entitled to have all teaching service included  
 181 in computing creditable service, notwithstanding breaks in membership of more than four  
 182 years, provided that such teacher pays into the retirement system an amount equal to the  
 183 minimum required for continuous members, plus regular interest that would have accrued  
 184 on such contributions during periods of nonmembership. No member shall receive credit  
 185 for teaching service if contributions were not made during the teaching service or have not  
 186 later been contributed with interest that would have accrued on such contributions,  
 187 provided that after three years' membership service a member may reestablish previous  
 188 credits by paying into the retirement system, prior to retirement, contributions equal to 10  
 189 percent of such compensation as he received during those years and for which he desires  
 190 to establish previous credit, plus regular interest that would have accrued on such  
 191 contributions.

192 (b) Any teacher who first becomes a member on or after July 1, 2019, and who withdraws  
 193 his or her accumulated contributions shall be eligible to purchase creditable service for his  
 194 or her prior teaching service provided that he or she renders at least one year of  
 195 membership service and pays into the retirement system an amount equal to the full  
 196 actuarial cost associated with obtaining creditable service for such prior teaching service."

197 **SECTION 6.**

198 Said title is further amended by repealing Code Section 47-3-84.1, relating to certain former  
 199 members of the system who have not withdrawn contributions.

200 **SECTION 7.**

201 Said title is further amended by repealing and reserving Code Section 47-3-86, relating to  
 202 issuance of a prior service certificate, evidentiary effect of such certificate, and credit for  
 203 prior service rendered by members who previously elected nonmembership.

204 **SECTION 8.**

205 Said title is further amended by repealing Code Section 47-3-87.1, relating to credit for  
206 service rendered in independent school system prior to, but not later than, June 30, 1979.

207 **SECTION 9.**

208 Said title is further amended by revising Code Section 47-3-88, relating to credit for service  
209 rendered to a local school system by persons who became members on or after April 1, 1966,  
210 and payments required in order to obtain such credit, as follows:

211 "47-3-88.

212 Any other provision of this or any other law to the contrary notwithstanding, in order for  
213 a teacher who becomes a member of the retirement system on or after April 1, 1966, to  
214 receive full creditable service for service rendered while a member of a local school system  
215 and before he or she became a member of the retirement system either such teacher, or the  
216 local board of education for which such service was rendered, or the local board of  
217 education by which the member is currently employed must pay the employee and  
218 employer contributions, plus regular interest. The board of trustees shall determine the  
219 amount to be paid, provided that in no case shall a member pay more than the total member  
220 and employer contributions and regular interest in effect at the time such service was  
221 rendered; provided, however, that an individual who first becomes a member on or after  
222 July 1, 2019, or who withdraws his or her accumulated contributions on or after July 1,  
223 2019, shall be required to pay any remaining balance necessary to cover the full actuarial  
224 cost associated with obtaining such creditable service."

225 **SECTION 10.**

226 Said title is further amended by revising subsection (c) of Code Section 47-3-91, relating to  
227 credit for service for visiting scholars, as follows:

228 "(c) Any creditable service obtained pursuant to the authority of this Code section shall be  
229 subject to the following conditions and requirements:

230 (1) No more than two years of creditable service may be obtained under this Code  
231 section;

232 (2) No member who receives or who is or will become entitled to receive any annuity  
233 or pension or retirement benefit from any other source, except social security, shall be  
234 eligible to obtain creditable service under this Code section;

235 (3) No creditable service obtained under this Code section shall be applied to obtain  
236 creditable service under Code Section 47-3-89, and no person shall be entitled to obtain  
237 more than a total of ten years of creditable service pursuant to this Code section and Code  
238 Section 47-3-89; and

239 (4)(A) For an individual who became a member prior to July 1, 2019, the ~~The~~ member  
 240 must pay employer and employee contributions which would have been paid to the  
 241 retirement system during the period of time claimed as creditable service based on the  
 242 member's earnable compensation at the time of making application for creditable  
 243 service plus regular interest thereon compounded annually from the time the service as  
 244 a visiting scholar was rendered until the date of payment; or  
 245 (B) For an individual who first becomes a member on or after July 1, 2019, or who  
 246 withdraws his or her accumulated contributions on or after July 1, 2019, such member  
 247 shall pay the full actuarial cost associated with obtaining such creditable service."

248 **SECTION 11.**

249 Said title is further amended by revising paragraph (6) of Code Section 47-6-70.1, relating  
 250 to prior service credit for military service, as follows:

251 "(6)(A) For an individual who became a member prior to July 1, 2019, the ~~The~~ member  
 252 must pay to the board of trustees the regular employee contribution of 7 1/2 percent of  
 253 compensation based on the compensation received by members of the General  
 254 Assembly during legislative sessions at the time the military service was rendered plus  
 255 interest on such employee contributions at the rate of 7 percent per annum compounded  
 256 annually from the time the military service was rendered until the date of payment.  
 257 (B) For an individual who first becomes a member on or after July 1, 2019, or who  
 258 withdraws his or her accumulated contributions on or after July 1, 2019, such member  
 259 shall pay to the board of trustees the full actuarial cost associated with obtaining such  
 260 creditable service."

261 **SECTION 12.**

262 Said title is further amended by revising Code Section 47-16-80, relating to credit for prior  
 263 service in the armed forces of the United States or as a peace officer relative to the Sheriffs'  
 264 Retirement Fund of Georgia, as follows:

265 "47-16-80.

266 In addition to listing and claiming credit for prior services as a sheriff under paragraph (4)  
 267 of Code Section 47-16-40, the applicant may elect to list and claim credit for service in the  
 268 armed forces of the United States, not to exceed four years, and service as a peace officer  
 269 other than as a sheriff, not to exceed four years, provided that he or she was employed  
 270 during such period as a peace officer by the state, a municipality, or any other political  
 271 subdivision of this state and was required by the terms of such employment, whether by  
 272 election or appointment, to devote his or her full time to the duties of a peace officer. Upon  
 273 approval or acceptance of such claims by the board, the applicant shall be credited with



274 such service as a basis for future contemplated retirement, provided that credit for such  
 275 service shall be available only if the applicant shall have served as a sheriff for a minimum  
 276 of eight years subsequent to December 31, 1960, and subsequent to periods of service for  
 277 which credit under this Code section is claimed; provided, further, that amounts due under  
 278 paragraph (5) of Code Section 47-16-40 have been paid for such periods for an individual  
 279 who became a member prior to July 1, 2019, and for any other individual that he or she has  
 280 paid the full actuarial cost associated with obtaining such creditable service."

281 **SECTION 13.**

282 Said title is further amended by revising subsection (c) of Code Section 47-16-81, relating  
 283 to credit for prior service as sheriff, member of armed forces of the United States, or peace  
 284 officer, notice, and amendment of application relative to the Sheriffs' Retirement Fund of  
 285 Georgia, as follows:

286 "(c) At the time such member gives written notification to the secretary-treasurer, such  
 287 member must also tender payment of all amounts due under paragraph (5) of Code Section  
 288 47-16-40 for the prior service listed in the amendment to his application for membership,  
 289 together with interest on such amounts at 8 percent per annum from the date of acceptance  
 290 of his original application for membership; provided, however, that an individual who first  
 291 becomes a member on or after July 1, 2019, shall pay the full actuarial cost associated with  
 292 obtaining such creditable service."

293 **SECTION 14.**

294 Said title is further amended by revising Code Section 47-16-82, relating to credit for prior  
 295 service as a warden of a county correctional institution relative to the Sheriffs' Retirement  
 296 Fund of Georgia, as follows:

297 "47-16-82.

298 Any member who has served as a sheriff for at least 12 years and who served as a warden  
 299 of a county correctional institution for at least ten years prior to his or her service as a  
 300 sheriff may, upon application to the board, receive four years of prior service credit for  
 301 such service as a warden, provided that if such member first became a member on or after  
 302 July 1, 2019, he or she shall pay the full actuarial cost associated with obtaining such  
 303 creditable service."

304 **SECTION 15.**

305 Said title is further amended in Article 1 of Chapter 20, relating to general provisions of the  
 306 Public Retirement Systems Standards Law, by adding new Code sections to read as follows:

307 "47-20-6.

308 (a) After July 1, 2019, no law, rule, or regulation shall pass that allows for any form of  
309 creditable service in a retirement system that does not require the individual obtaining such  
310 creditable service to pay to such retirement system an amount equal to the full actuarial  
311 cost of obtaining such creditable service.

312 (b) Existing laws, rules, or regulations that allow for any form of creditable service in a  
313 retirement system for an amount less than the full actuarial cost of obtaining such  
314 creditable service shall only be amended in a manner that does not increase the actuarial  
315 cost to such retirement system.

316 (c) This Code section shall not apply to creditable service in a retirement system that an  
317 individual earned as a contributing member of such retirement system.

318 (d) This Code section shall not apply to or affect:

319 (1) The Georgia Municipal Employees Benefit System established in Chapter 5 of this  
320 title; or

321 (2) Any local retirement system that is not a legislatively controlled retirement system.

322 47-20-7.

323 (a) Any retirement system administrator may adopt a procedure for accepting payments  
324 for creditable service in accordance with subsections (b), (c), and (d) of this Code section,  
325 which shall only apply to retirement systems that elect to adopt such a procedure.

326 (b) Following its approval of an application for creditable service, a retirement system  
327 administrator shall certify to the applicant the amount of the payment to the retirement  
328 system required to earn the creditable service allowed.

329 (c) A member may make a one-time payment of the full amount established by the  
330 retirement system administrator under subsection (b) of this Code section within 90 days  
331 and thereafter receive such creditable service to which he or she is entitled or may elect to  
332 participate in a payment plan pursuant to subsection (d) of this Code section.

333 (d)(1)(A) A member may elect to make equal monthly payments to be deducted from  
334 such member's earnable compensation over a period of 12, 24, 36, 48, 60, or 120  
335 months to be paid according to a schedule established by the retirement system  
336 administrator, which amortizes the full actuarial cost of obtaining the creditable service,  
337 over the elected period of time based on the retirement system's most recent valuation  
338 assumptions. Such schedule shall include a present accounting of the full amount  
339 necessary to complete the payments.

340 (B) Once a member makes an election for an eligible period of time, he or she shall not  
341 be permitted to change such election.

342 (2) At any time prior to retirement, a contributing member may make a one-time  
 343 payment of the full amount necessary to complete the payments owed pursuant to the  
 344 schedule established by the retirement system administrator pursuant to paragraph (1) of  
 345 this subsection.

346 (3) Upon application for retirement, a member may make a one-time payment to the  
 347 retirement system of the remaining amount owed pursuant to paragraph (1) of this  
 348 subsection and shall be awarded such creditable service to which he or she is entitled.

349 (4) Upon retirement, if a member has not paid the amount of the full actuarial cost as  
 350 amortized, he or she shall only be awarded as many months of creditable service on a  
 351 whole month, pro rata basis as determined by the retirement system administrator from  
 352 the original amortized payment schedule elected under paragraph (1) of this subsection  
 353 as have been paid for in full.

354 (5) Within 30 days of a member ceasing to be an employee for a reason other than death  
 355 or retirement, such individual shall make a one-time payment to the retirement system of  
 356 the remaining amount necessary to complete the payments owed in accordance with the  
 357 schedule established pursuant to paragraph (1) of this subsection and shall be awarded  
 358 such creditable service to which he or she is entitled. If he or she does not make such  
 359 payment, the retirement system administrator shall issue to such individual a refund of  
 360 payments made pursuant to this subsection, and he or she shall forfeit the related  
 361 creditable service; provided, however, that if the individual is a vested member of the  
 362 retirement system, he or she shall be awarded such creditable service allowed pursuant  
 363 to paragraph (4) of this subsection. Such individual may reapply for the creditable  
 364 service sought if eligible and in accordance with this Code section.

365 (6) Within 30 days of a member defaulting by failing to make his or her complete  
 366 monthly payment in accordance with the schedule established pursuant to paragraph (1)  
 367 of this subsection, such individual shall make a one-time payment to the retirement  
 368 system of the remaining amount necessary to complete the payments owed in accordance  
 369 with the schedule established pursuant to paragraph (1) of this subsection and shall be  
 370 awarded such creditable service to which he or she is entitled. If he or she does not make  
 371 such payment, the retirement system administrator shall issue to such individual a refund  
 372 of payments made pursuant to this subsection, and he or she shall forfeit the related  
 373 creditable service. Such individual may reapply for the creditable service sought if  
 374 eligible and in accordance with this Code section.

375 (e) This Code section shall not apply to or affect:

376 (1) The Georgia Municipal Employees Benefit System established in Chapter 5 of this  
 377 title; or

378 (2) Any local retirement system that is not a legislatively controlled retirement system."

379

**SECTION 16.**

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