

The House Committee on Retirement offers the following substitute to SB 197:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 1 of Chapter 20 of Title 47 of the Official Code of Georgia Annotated,
2 relating to general provisions of the "Public Retirement Systems Standards Law," so as to
3 provide that no law, rule, regulation, resolution, or ordinance shall pass allowing for
4 creditable service in a retirement system that does not require an individual to pay the full
5 actuarial cost associated with obtaining such creditable service; to exclude the Georgia
6 Municipal Employees Benefit System from such requirement; to provide for the amendment
7 of existing laws; to provide for an exception; to provide for optional payment plans for
8 creditable service; to provide for related matters; to repeal conflicting laws; and for other
9 purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

12 Article 1 of Chapter 20 of Title 47 of the Official Code of Georgia Annotated, relating to
13 general provisions of the "Public Retirement Systems Standards Law," is amended by adding
14 a new Code section to read as follows:

15 "47-20-6.

16 (a) After July 1, 2018, no law, rule, regulation, resolution, or ordinance shall pass that
17 allows for any form of creditable service in any retirement system that does not require the
18 individual obtaining such creditable service to pay to such retirement system an amount
19 equal to the full actuarial cost of obtaining such creditable service.

20 (b) Existing laws, rules, regulations, resolutions, or ordinances that allow for any form of
21 creditable service in any retirement system for an individual for an amount less than the full
22 actuarial cost of obtaining such creditable service shall only be amended in a manner that
23 does not increase the actuarial cost to any retirement system.

24 (c) This Code section shall not apply to credit for service in a retirement system that a
25 member accrued while a contributing member of such retirement system.

26 (d) This Code section shall not apply to the Georgia Municipal Employees Benefit System
 27 created by Chapter 5 of this title."

28 **SECTION 2.**

29 Said article is further amended by adding a new Code section to read as follows:

30 "47-20-7.

31 (a) Any retirement system administrator may adopt a procedure for accepting payments
 32 for creditable service in accordance with subsections (b), (c), and (d) of this Code section,
 33 which shall only apply to those adopting retirement systems.

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

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

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

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

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

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

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

62 (5) Within 30 days of a member ceasing to be an employee for a reason other than death
63 or retirement, such individual shall make a one-time payment to the retirement system of
64 the remaining amount necessary to complete the payments owed in accordance with the
65 schedule established pursuant to paragraph (1) of this subsection and be awarded such
66 creditable service to which he or she is entitled. If he or she does not make such
67 payment, the retirement system administrator shall issue to such individual a refund of
68 payments made pursuant to this subsection, and he or she shall forfeit the related
69 creditable service; provided, however, that if the individual is a vested member of the
70 retirement system, he or she shall be awarded such creditable service allowed pursuant
71 to paragraph (4) of this subsection. Such individual may reapply for the creditable
72 service sought if eligible and in accordance with this Code section.

73 (6) Within 30 days of a member defaulting by failing to make his or her complete
74 monthly payment in accordance with the schedule established pursuant to paragraph (1)
75 of this subsection, such individual shall make a one-time payment to the retirement
76 system of the remaining amount necessary to complete the payments owed in accordance
77 with the schedule established pursuant to paragraph (1) of this subsection and be awarded
78 such creditable service to which he or she is entitled. If he or she does not make such
79 payment, the retirement system administrator shall issue to such individual a refund of
80 payments made pursuant to this subsection, and he or she shall forfeit the related
81 creditable service. Such individual may reapply for the creditable service sought if
82 eligible and in accordance with this Code section."

83 **SECTION 3.**

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