

Senate Bill 240

By: Senators Walker III of the 20th, Robertson of the 29th and Tillery of the 19th

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 revise the minimum and maximum allowable benefit multiplier for current
3 and future retirees; to require certain social security coverage for all employees of a political
4 subdivision who are members of the Public School Employees Retirement System; to
5 prohibit the approval of certain plans; to provide for reporting; to provide for related matters;
6 to provide conditions for an effective date and automatic repeal; to repeal conflicting laws;
7 and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Title 47 of the Official Code of Georgia Annotated, relating to retirement and pensions, is
11 amended by revising subsection (b) of Code Section 47-4-101, relating to retirement benefits
12 payable upon normal, early, or delayed retirement in the Public School Employees
13 Retirement System, as follows:

14 "(b)(1)(A) Upon retirement on the normal retirement date, a member shall receive a
15 monthly retirement benefit, payment of which shall commence on the effective date of
16 retirement and which shall be payable on the first day of each month thereafter during

17 the member's lifetime. The minimum amount of each monthly retirement payment shall
18 be ~~\$16.50~~ \$17.00 multiplied by the number of the member's years of creditable service.

19 (B) The retirement benefit provided under this subsection shall be payable to those
20 members who have already retired under this chapter as well as those members who
21 retire in the future; ~~provided, however, that no benefit increase above \$15.00 per month~~
22 ~~shall be applied to the benefit of persons who were retired on the effective date of this~~
23 ~~Act.~~

24 (C) If the General Assembly at any time appropriates funds expressly intended to fund
25 ~~the benefits provided in this subsection and such amount so appropriated is not~~
26 ~~sufficient to fund the maximum amount allowable, then the retirement benefit otherwise~~
27 ~~payable under this subsection shall be reduced pro rata by the board in accordance with~~
28 a permanent or one-time increase to the benefit amount payable under this paragraph,
29 the board shall make a determination of the amount that such benefit amount may be
30 increased based upon the funds actually appropriated by the General Assembly for such
31 purpose, but in no event shall the retirement benefit be less than ~~\$14.75~~ \$17.00
32 multiplied by the member's years of creditable service.

33 (2) Subject to the terms and limitations of this subsection, the board of trustees is
34 authorized to adopt from time to time a method or methods of providing for increases in
35 the retirement allowance ~~paid up to the maximum benefit provided in pursuant to~~
36 paragraph (1) of this subsection. Such method shall be based upon:

37 (A) The recommendation of the actuary of the board of trustees;

38 (B) The maintenance of the actuarial soundness of the fund in accordance with the
39 standards provided in Code Section 47-20-10 or such higher standards as may be
40 adopted by the board; and

41 (C) Such other factors as the board deems relevant."

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SECTION 2.

Said title is further amended in Chapter 18, relating to social security coverage for employees of the state and its political subdivisions, by revising Code Section 47-18-41, relating to plans for old-age, survivors, and disability insurance coverage submitted by state political subdivisions, contents, approval, and contributions required, as follows:

"47-18-41.

(a) Each political subdivision of the state is authorized to submit for approval by the state agency a plan for extending the benefits of Title II of the Social Security Act to employees of such political subdivision. The adjutant general, acting on behalf of the state, is authorized to submit and enter into a similar plan with the state agency for extending such benefits to the civilian employees of the National Guard units of this state, who are, for the purposes of this chapter, deemed to be a separate coverage group as provided for in the federal Social Security Act; provided, however, that nothing contained in this chapter shall be construed to deem or designate the civilian employees of the National Guard units of this state to be employees of this state. Each such plan and any amendments thereof shall be approved by the state agency if it finds that such plan, as amended, is in conformity with such requirements as are provided in regulations of the state agency, except that no such plan shall be approved unless:

- (1) It is in conformity with the requirements of the Social Security Act and with the agreement entered into under Code Section 47-18-40;
- (2) It provides that all services which constitute employment and are performed in the employ of a political subdivision by employees thereof shall be covered by the plan except that it may exclude services performed by individuals to whom Section 218(c)(3)(C) of the Social Security Act is applicable;
- (3) It specifies the sources from which the funds necessary to make the payments required by ~~paragraph (1) of subsection (c) of this Code section and by subsection (d) of~~

68 ~~this Code section~~ are expected to be derived and contains reasonable assurance that such
69 sources will be adequate for such purpose;

70 (4) It provides for such methods of administration of the plan by the political subdivision
71 as are found by the state agency to be necessary for the proper and efficient
72 administration of the plan;

73 (5) It provides that the political subdivision will make such reports in such form and
74 containing such information as the state agency may from time to time require and will
75 comply with such provisions as the state agency or the secretary of health and human
76 services may from time to time find necessary in order to assure the correctness and
77 verification of such reports; and

78 (6) It authorizes the state agency to terminate the plan in its entirety, in the discretion of
79 the state agency, if it finds that there has been a failure to comply with any provision
80 contained in such plan, such termination to take effect at the expiration of such notice and
81 on such conditions as may be provided by regulations of the state agency and which are
82 consistent with the Social Security Act; provided, however, that such conditions as may
83 be provided by the regulations of the state agency for such termination shall assure that
84 the state shall not incur any debt or loss in relation to any amounts due the state from
85 other provisions of the Social Security Act, including grants in aid for public assistance
86 and for maternal and child welfare.

87 (b) The state agency shall not finally refuse to approve a plan submitted by a political
88 subdivision under subsection (a) of this Code section and shall not terminate an approved
89 plan without reasonable notice and opportunity for hearings to ~~the~~ such political
90 subdivision ~~affected thereby~~.

91 (c) Each political subdivision ~~as to which a~~ that has a plan ~~has been~~ approved under this
92 Code section shall pay to the federal Social Security Administration contributions in the
93 amounts and at the rates specified in the applicable agreement entered into by the state
94 agency under Code Section 47-18-40.

95 (d)(1) By July 1, 2023, the state agency shall identify each political subdivision of this
96 state that does not extend coverage for the benefits of Title II of the Social Security Act to
97 those employees of such political subdivision who are members of the Public School
98 Employees Retirement System established under Chapter 4 of this title. The state agency
99 shall issue a report to the chairpersons of the House Retirement Committee and the Senate
100 Committee on Retirement that contains the names of all such political subdivisions and
101 shall provide the total number of employees per political subdivision who do not have such
102 coverage.

103 (2) By October 1, 2023, the plan for each political subdivision that does not extend
104 coverage for the benefits of Title II of the Social Security Act to its employees who are
105 members of the Public School Employees Retirement System established under Chapter
106 4 of this title shall be amended to provide such coverage for such current and future
107 employees of such political subdivision.

108 (e) On and after July 1, 2023, the state agency shall not approve any political subdivision's
109 plan that does not extend coverage for the benefits of Title II of the Social Security Act to
110 its employees who are members of the Public School Employees Retirement System
111 established under Chapter 4 of this title."

112 **SECTION 3.**

113 This Act shall become effective on July 1, 2024, only if it is determined to have been
114 concurrently funded as provided in Chapter 20 of Title 47 of the Official Code of Georgia
115 Annotated, the "Public Retirement Systems Standards Law"; otherwise, this Act shall not
116 become effective and shall be automatically repealed in its entirety on July 1, 2024, as
117 required by subsection (a) of Code Section 47-20-50.

118 **SECTION 4.**

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