

The House Committee on Rules offers the following substitute to SB 240:

A BILL TO BE ENTITLED

AN ACT

1 To amend Chapter 3 of Title 47 of the Official Code of Georgia Annotated, relating to the
2 Teachers' Retirement System of Georgia, so as to provide that certain employees of charter
3 schools who may be eligible for membership in the retirement system as a result of such
4 employment shall continue to be eligible unless the nonprofit governing board of the charter
5 school elects to provide such employees with an alternative retirement plan; to provide for
6 conditions and limitations; to provide for construction; to amend Chapter 18 of Title 47 of
7 the Official Code of Georgia Annotated, relating to social security coverage for employees
8 of the state and its political subdivisions, so as to determine eligibility for social security
9 coverage for all employees and positions eligible for membership in the Public School
10 Employees Retirement System; to provide for reporting of such information; to prohibit the
11 future approval of certain plans; to amend Article 7 of Chapter 20 of Title 47 of the Official
12 Code of Georgia Annotated, the "Public Retirement Systems Investment Authority Law," so
13 as to raise the limit for the total percentage of funds that the Employees' Retirement System
14 of Georgia may invest in alternative investments; to provide for related matters; to repeal
15 conflicting laws; and for other purposes.

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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SECTION 1.

Chapter 3 of Title 47 of the Official Code of Georgia Annotated, relating to the Teachers' Retirement System of Georgia, is amended by adding a new Code section to read as follows:

"47-3-69.

(a) Individuals hired on or after June 1, 2023, who may be eligible for membership in this retirement system as a result of employment by a charter school established pursuant to Article 31 or 31A of Chapter 2 of Title 20, shall not become members of this retirement system as a result of such employment if the nonprofit governing board of the charter school that employs them elects to provide such individuals with an alternative retirement plan.

(b) The provisions of this Code section shall not affect any employee of a charter school established pursuant to Article 31 or 31A of Chapter 2 of Title 20, who, prior to June 1, 2023, was a member of this retirement system as a result of such employment.

(c) The provisions of this Code section shall not be construed to support eligibility for or allow membership in this retirement system to any person or class of persons not otherwise eligible for membership in this retirement system."

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SECTION 2.

Chapter 18 of Title 47 of the Official Code of Georgia Annotated, relating to social security coverage for employees of the state and its political subdivisions, is amended 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

43 authorized to submit and enter into a similar plan with the state agency for extending such
44 benefits to the civilian employees of the National Guard units of this state, who are, for the
45 purposes of this chapter, deemed to be a separate coverage group as provided for in the
46 federal Social Security Act; provided, however, that nothing contained in this chapter shall
47 be construed to deem or designate the civilian employees of the National Guard units of
48 this state to be employees of this state. Each such plan and any amendments thereof shall
49 be approved by the state agency if it finds that such plan, as amended, is in conformity with
50 such requirements as are provided in regulations of the state agency, except that no such
51 plan shall be approved unless:

52 (1) It is in conformity with the requirements of the Social Security Act and with the
53 agreement entered into under Code Section 47-18-40;

54 (2) It provides that all services which constitute employment and are performed in the
55 employ of a political subdivision by employees thereof shall be covered by the plan
56 except that it may exclude services performed by individuals to whom Section
57 218(c)(3)(C) of the Social Security Act is applicable;

58 (3) It specifies the sources from which the funds necessary to make the payments
59 required by ~~paragraph (1) of subsection (c) of this Code section and by subsection (d) of~~
60 ~~this Code section~~ are expected to be derived and contains reasonable assurance that such
61 sources will be adequate for such purpose;

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

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

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

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

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

87 By September 1, 2023, the state agency shall identify each political subdivision of this
88 state that does not extend coverage for the benefits of Title II of the Social Security Act to
89 its employees or positions which are eligible for membership in the Public School
90 Employees Retirement System established under Chapter 4 of this title. The state agency
91 shall issue a report to the chairpersons of the House Retirement Committee and the Senate
92 Committee on Retirement that contains the names of all such political subdivisions and
93 shall provide the total number of employees per political subdivision who do not have such
94 coverage, as well as information regarding the retirement plan, if any, under which such
95 employees are covered as an alternative to Social Security.

96 (e) On and after September 1, 2023, to the full extent allowed under federal law, the state
97 agency shall not approve any political subdivision's plan that does not extend coverage for
98 the benefits of Title II of the Social Security Act to its employees or positions which are
99 eligible for membership in the Public School Employees Retirement System established
100 under Chapter 4 of this title."

101 **SECTION 3.**

102 Article 7 of Chapter 20 of Title 47 of the Official Code of Georgia Annotated, the "Public
103 Retirement Systems Investment Authority Law," is amended by revising paragraph (1) of
104 subsection (d) of Code Section 47-20-87, relating to eligible large retirement systems
105 authorized to invest in certain alternative investments, as follows:

106 "(d)(1)(A) Alternative investments by an eligible large retirement system shall not in
107 the aggregate exceed 10 percent of the eligible large retirement system's assets at any
108 time.

109 (B) Notwithstanding subparagraph (A) of this paragraph, alternative investments by
110 the Georgia Firefighters' Pension Fund shall not in the aggregate exceed 15 percent of
111 its assets at any time.

112 (C) Notwithstanding subparagraph (A) of this paragraph, the Teachers' Retirement
113 System of Georgia shall not in the aggregate exceed 5 percent of such system's assets
114 at any time.

115 ~~(D) Notwithstanding subparagraph (A) of this paragraph, the Employees' Retirement~~
116 ~~System of Georgia shall not in the aggregate exceed 5 percent of such system's assets~~
117 ~~at any time."~~

118 **SECTION 4.**

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