



Legislative Update: 2015-16 Biennium Session

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With the new year in full swing, our state legislators entered a new biennium session this past January, filled with many proposed retirement bills. We kept a close eye on the legislative proceedings as they happened so we could keep our members and employers up-to-date with the latest retirement news.

The 2015 legislative session concluded on April 2, 2015, and was the first year of the two-year (2015-16) biennium session. Retirement legislation that has a fiscal impact must be forwarded for an actuarial study in order to remain a valid bill for the 2016 session.

The House and Senate Retirement Committees met in a joint meeting on May 7, 2015, to decide which fiscal bills would be forwarded for an actuarial study. The Committees did not forward HB 459, HB 698, and SB 152. Since the bills were not forwarded for an actuarial study, the bills have “died in Committee” and are not valid during the 2016 legislative session.

The Senate Retirement Committee voted to forward SB 246 for an actuarial study. SB 246 and all non-fiscal bills will continue the legislative process through the 2016 legislative session. A brief description of each bill is listed below.

For detailed information on how retirement legislation becomes law, please visit www.trsga.com/legislation.

HB 217 is a non-fiscal bill that would expand the list of allowable investments for public retirement funds to include:

- Mutual funds registered with the Securities and Exchange Commission.
- Commingled and collective investment funds registered with the U.S. Comptroller of the Currency. These funds are similar to mutual

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Beneficiary Updates

Keeping your beneficiary information up-to-date through TRS is very important. Georgia law requires that the settlement of your account be made according to the beneficiary designation on file in the TRS office at the time of your death. If your present personal situation changes, you can update your beneficiary(ies) via your online TRS account.

In the absence of a beneficiary on file, settlement will be made with the surviving spouse. If there is no spouse, settlement will be made to your estate. Wills, divorce decrees, remarriages, etc., do **NOT** determine the settlement of your TRS account upon your death.

Handling beneficiary updates through your employer does not update your information on file with TRS. Please make sure your beneficiary(ies) are up-to-date today by logging into your online account at **www.TRSGA.com**. If you have any questions about updating your beneficiaries please contact us at 404-352-6500 or 800-352-0650. ☎

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funds, but are offered by banking institutions to investors including qualified retirement plans.

HB 217 does not make any changes to current law regarding venture capital and/or alternative investments.
Signed by the Governor

HB 250 is a non-fiscal bill that allows a TRS retiree to assign their benefit payment to a self-settled, supplemental needs trust. This bill will further allow assignment of benefits to a spouse for a retiree that is Medicaid eligible and institutionalized in a nursing home, hospital, skilled nursing facility, intermediate care home, assisted living community, personal care home or hospice care. By allowing a retiree to assign their benefit payment to a trust or individual, the retiree would be able to circumvent the rules and regulations regarding eligibility to receive governmental assistance.

HB 270 is a non-fiscal bill that makes a stylistic change in sentence structure regarding the Board of Trustees Chair. Specifically, the bill changes the wording from “.....from its membership a chairman” to “.....a chairperson from its membership”. The bill does not change the membership requirements of the TRS Board of Trustees.

HB 344 is a non-fiscal bill that would create the Georgia Public Retirement System Trustee Training Council (the Council) effective January 1, 2016. The Council would be comprised of six members and would develop training requirements for public retirement system trustees. Trustees would be required to complete eight hours of a training course established by the Council within one year of appointment.

TRS already provides in-house, high-level, executive training to our trustees, including ex-officio trustees, and continuing trustee education with nationally recognized retirement programs on an annual basis.

HB 459 is a fiscal retirement bill that allows select individuals the ability to establish additional service credit for employment rendered with the Federal Bureau of Prisons and schools operated by the U.S. Department of Defense Education Activity. The cost to establish this service will require payment of the employee and employer contributions that the member would have contributed had they been a TRS member at the time of the employment, plus accrued interest. Current Georgia law already allows

service credit to be established for teaching rendered with American Dependents’ schools, which are administered by the Department of Defense Education Activity. Therefore, HB 459 only amends the law to allow an individual who worked with the Federal Bureau of Prisons to establish additional service. **Not Forwarded for an Actuarial Study**

SB 152 is a fiscal retirement bill that creates a hybrid retirement plan for all individuals who first or again become TRS members on or after January 1, 2017. This bill does not affect individuals who are TRS members on December 31, 2016. Current TRS members may elect in writing to become a member of the hybrid plan. This blended type of retirement plan will consist of a defined benefit plan and a defined contribution plan.

- Under the provisions of the defined benefit component:
- The TRS Board of Trustees will continue to determine the employee contribution rate at no less than 5% and no greater than 6%.
- The benefit multiplier for service, disability and death in service benefits will be decreased from 2% to 1%.
- In addition to current salary caps, no salary increase in excess of 5% during the last 12 months will be used for the retirement computation.
- There will be no prefunded COLA’s. The Board may grant ad hoc COLA’s. No retiree shall be entitled to or expect to receive a COLA.
- Only certain military service as defined by federal law and applicable ERS transfers will be allowable. Out-of-state, private school, study leave, withdrawn, airtime or any other service currently allowed, will no longer be eligible.
- Unused sick leave credit may be subject to reduction or repeal by subsequent legislation and is not to be considered an element of any employment contract.

Under the provisions of the defined contribution component:

- TRS members are automatically enrolled in the State’s 401(k) plan administered by the Employees’ Retirement System with a 5% contribution, unless member indicates otherwise.

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- Employer matching contribution is 100% for a 1% employee contribution. Employee contributions in excess of 1% receive a 50% employer match, up to an additional 2%.
- Employee contributions are 100% vested and invested according to the member's investment choices.
- Employer contributions are separate from employee contributions and invested according to the member's investment choices.
- Employer contributions become vested 100% with the member after 5 years.

Not Forwarded for an Actuarial Study

HB 698 is a fiscal retirement bill that prohibits a public retirement fund from investing funds in companies or businesses that produce, sell, or market songs with lyrics containing specific words listed in the bill. A public retirement fund that holds such investments must divest any such holdings. ***Not Forwarded for an Actuarial Study***

SB 246 is a fiscal retirement bill that requires public funds to identify all holdings, direct or indirect, in scrutinized companies. A scrutinized company is defined as a company doing business with the government of a proscribed country, a company complicit in the Darfur genocide, or a company that supplies certain military equipment to a proscribed country. A proscribed country is defined as the Islamic Republic of Iran, Syrian Arab Republic, the Republic of Cuba and the Republic of Sudan.

The State Treasurer is required to annually prepare and make publicly available a consolidated list of scrutinized companies. Public funds must use this list to identify any holdings, direct or indirect, in scrutinized companies, and notify the company of such status, encourage company to cease such activities and divest securities from said companies. If these companies do not cease these activities then the public funds must divest in any holdings. ***Forwarded for an Actuarial Study*** ☞



Discounts for Teachers

Being a teacher comes with even more perks than helping to educate and influence young students, and a defined benefits plan— you can also receive many discounts around the State and country. Don't miss out on these wonderful discounts thanking you for everything you do to help shape our future. Below are just a few discounts, but please visit <http://www.giftcardgranny.com/blog/the-complete-list-of-66-teacher-discounts/> to learn about more.

Office supply stores: Staples, Office Depot, etc.

Craft stores: Michaels, Joann Fabric, Hobby Lobby, etc.

Clothing stores: J. Crew, Aerosoles, Eddie Bauer, etc.

Electronics: Apple Store, Dell, cell phone companies, etc.

Also, you can take advantage of discounts when you book a room at some Disney resorts and hotels! Learn more about which hotels: <http://www.downtowndisneyhotels.com/teachers-special-hotels-offer> ☞

Countdown to Retirement

Is your retirement date quickly approaching? Make sure as the date gets closer you are prepared and your to-do list is marked off! Here are a few important things you can do before you retire:

24 months before retirement date:

- Attend a Half-Day Seminar about important topics such as: Social Security and Estate Planning. Check the TRS website for dates and locations throughout the State, and to register online.
- Request a benefit estimate by going on your online account and clicking “Generate Benefit Estimate” or by calling TRS.

18 months before retirement:

- Research medical insurance for you and your family. Verify your post-retirement eligibility.
- Review your estate plan and make sure your will, trust, and/or power of attorney are up-to-date.

12 months before retirement:

- Request an estimate from the Social Security Administration.
- Schedule a one-on-one counseling appointment at our Atlanta office or at an event near you.

6 months before retirement:

- You can start your online application process. Make sure you have decided on a retirement plan that works best for you.
- Make sure you understand the criteria for working after retirement. Visit our website to learn more.

3 months before retirement:

- Make sure the service credit you are eligible to purchase is paid for in full. You cannot purchase service credit once you retire.
- Submit your retirement application if you haven't already. The application should be in no later than 2 months prior to your anticipated retirement date. ☞

NOTICE: New Online Forms

To make things faster and more convenient for everyone, we are making more forms available online. Now when applying for retirement your **Retirement Certification (TRS-8)** and **Sick Leave Certification** forms will be sent directly to your employer. Once you apply for retirement, your employers will be notified and will submit the finalized forms to us.

Another form that is easier to complete is our **Application for Refund of Contributions**. Once this is filled out it is sent directly to the last employer for them to complete.



FY 2016 Employee & Employer Contribution Rates

In its annual meeting held May 28, 2014, the Board of Trustees adopted the employee and employer contribution rates for FY 2016 (July 1, 2015 – June 30, 2016). Effective July 1, 2015, the contribution rates will be:

- Employee Rate: 6.00%
(6.00% for FY 2015)
- Employer Rate: 14.27%
(13.15% for FY 2015)

APPLYING FOR RETIREMENT

In an effort to provide you with the most expedient method of applying for retirement, retiring members now apply for retirement online.

Please remember that TRS is no longer accepting paper applications. Our online process is quick, easy and more efficient.

To apply, simply login to your account and click “Apply for Retirement.” You will then be prompted to provide information specific to your retirement. When the process is complete, a summary sheet is provided for your records. There are links to other forms not covered in the online process, as well as “Tips” to help make the process as easy and user-friendly as possible. So you are prepared, please note the following items needed to complete the retirement application process.

Items and Information Needed to Complete Your Application:

- **Your Information:** name, address, daytime phone number, SSN, date of birth, copy of official ID (driver’s license, passport, birth certificate, immigration papers, or a state issued ID).
- **Your Primary and Secondary Beneficiary’s Information:** name, address, SSN, date of birth, copy of official ID (see list above).
- **Direct Deposit Information:** checking or savings account and routing numbers.
- **Benefit Estimate:** you may use this as a reference to help you choose your monthly retirement benefit option and your PLOP payment (if applicable).
- **PLOP Rollover** (if applicable): name, address, and phone number for rollover institution, type of rollover plan, and your rollover account number.

- **Tax Withholding Amounts:** federal and state for monthly benefit payment, and PLOP if taking a lump-sum cash distribution.
- **Your Alien Number Issued by the Department of Homeland Security or Other Federal Immigration Agency** (if applicable)

If you are unable to complete and submit your application, you may log back in to your account and continue at a later date. Please note that your online application will only remain active for 45 days. After 45 days, your application is void and you must begin the process again. Once the application is completed, the member must print and sign a summary sheet and send to TRS. ☹

