



Legislative Update: 2015-16 Biennium Session

Jeffrey L. Ezell

Executive Director

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 beneficiary information up-to-date through TRS is very important. Please make sure your employees know they should always file beneficiary updates through their personal TRS online account as needed. Georgia law requires that the settlement of their account be made according to the beneficiary designation on file in the TRS office at the time of their death. Filing changes with your office will **NOT** determine the settlement of their TRS account upon death.

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 the member’s estate. Wills, divorce decrees, remarriages, etc., do **NOT** determine the settlement of your TRS account upon your death.

We appreciate your support in informing our members about the importance of updating their beneficiary(ies). If you have any questions about how members can update their beneficiary information, please contact your TRS Employer Services Representative. ☞

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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*** ☞



TRS Employer Training

We will again be offering our annual Employer Training program throughout the months of June and August. These sessions will include basic information on plan design and administration for your HR staff, and provide attendees with the opportunity to ask questions of our Employer Services experts. We will answer technical monthly reporting questions in a face-to-face format as well as collect feedback on what attendees feel is working well and, perhaps, not so well.

We strongly encourage all our employers to attend one of our training classes and take advantage of this valuable opportunity! The dates and locations for the 2015 Employer Training Classes are listed below.

June 16 - ROME

June 18 - WAYCROSS

June 23 - SUWANEE

June 25 - AUGUSTA

August 11 - BAINBRIDGE

August 13 - MACON

To reserve your seat and to receive more information on the upcoming events contact Jerry LeBlanc at jerry.leblanc@trsga.com.

Reservations for the class should be made by the close of business on May 26, 2015.

HOST

TRS offers New Member, Mid-Career, and Pre-Retirement workshops, along with individual counseling opportunities. If you are interested in hosting one of these events, please contact:

Carlos Marshall at 404-352-6508
or Winston Buckley 404-425-6620

New Online Forms

The online **Retirement Certification (TRS-8)** and **Sick Leave Certification** forms were recently implemented to help make the retirement process faster and easier for both members and employers.

The **Application for Refund of Contributions** form is also now available online for members to complete and submit.

Once members fill out these three forms they are submitted to their employers. Please make sure you log in to your online account to check your inbox for completed forms.

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)



New Member Workshop

TRS has updated its New Member Workshop, for members who have up to 10 years of TRS service, to educate our newest members about their TRS benefit and other important information regarding planning for retirement.

We realize that many members who are just beginning a career don't think about, or plan for, retirement. At TRS, we believe that it's never too early to start planning for the future.

Host a New Member Workshop before summer is over, it is a great way to introduce new employees to TRS and get them to think about their future.

If you are interested in hosting a New Member Workshop in your area contact Carlos Marshall at 404-352-6508 or Winston Buckley 404-425-6620.

Employer News & Updates

To better serve you and your employees, we want to be sure we stay up-to-date on any monthly news related to TRS reporting. Please contact your TRS Employer Services Representative if you are planning a change in payroll cycle, salary increases or decreases that affect a significant number of employees, or other similar actions. We truly appreciate the advance information, as well as all you do each day to serve your TRS-covered employees!

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. ☹



HIRE

Retired members of the Teachers Retirement System of Georgia (TRS) have the ability to be employed on either a full or part-time basis under certain terms and conditions. All employment of a TRS retiree must be reported to TRS prior to employment.

Before returning to work in any capacity in a TRS-covered position, TRS retirees must have a “break-in-service” of at least one month.