



# Legislative Update

May 7, 2024



## How a Retirement Bill Becomes Law

### 2023-24 Biennium Session

The 2024 Georgia General Assembly commenced on January 8, 2024, and concluded on March 28, 2024. This concludes the second year of the two-year (2023-2024) biennium session. Only retirement bills introduced during the first session (2023) are eligible to be acted on in the 2024 session. Retirement bills that have a fiscal (monetary) impact can only be introduced during the first year of a two-year session and can only be acted on during the second year. The earliest effective date for a fiscal bill introduced during the 2023 session will be July 1, 2024.

The Georgia Constitution contains several provisions relating to retirement legislation, which require that retirement bills be treated differently from other legislation. In Georgia, each bill having a fiscal (monetary) impact on a public retirement system such as TRS must be funded in the year it is enacted. In TRS, both the employee and the employer pay monthly into the retirement fund to pay for the employee's retirement benefits. This "pay as you work" system ensures that future benefits are already paid for and do not depend on future appropriations. Thus, any bill that increases the liability of the retirement system must be funded "up front." This ensures the fiscal stability of the retirement system.

The House Retirement Committee convened for seven hearings and the Senate Retirement Committee for six hearings during the second year of the biennium session. House bills (HB) 385 and 481 were the only two bills that passed both the House and Senate Retirement Committees and then sent to the Governor for approval.

HB 385 (2024 version) was signed into law by the Governor which expands the list of Uniformed Services to include the United States Space Force, giving TRS active members the ability to purchase eligible active duty service towards a retirement benefit. It also gives firefighters who were under TRS-covered employment and leave for active military duty service, the option to purchase the active duty service credit upon return to their TRS active employment. HB 481, signed into law by the Governor, provides direction to fiduciaries and qualified professional investment personnel to invest retirement assets solely in the financial interest of participants and their beneficiaries.

*Please see page 2 for a summary of legislation that has been introduced that could affect TRS.*

### Supporting Legislation

If you are interested in expressing your support for legislation currently being considered, please contact your State Representative or Senator, as the Legislature is responsible for enacting Georgia law. Please visit [www.legis.ga.gov](http://www.legis.ga.gov) for more information.

In 1st year, State Representative or Senator introduces legislation.

Legislation is assigned to Committee (House or Senate depending on the chamber from which the bill is introduced).

After the Session, Committee determines if the bill should be forwarded for actuarial study.

- If forwarded for study, legislative process continues.
- If not forwarded for study, bill dies in Committee.

In 2nd year, Committee receives actuarial study and determines if the bill should pass Committee for consideration by full House or Senate.

If bill passes one Chamber, House or Senate, the bill is then transmitted to the other Chamber for Committee assignment and recommendation.

If the bill passes both Chambers, the legislation is then sent to the Governor for his signature or veto.

The complete legislative process for retirement legislation is very detailed and is located at [www.trsga.com/Legislation/](http://www.trsga.com/Legislation/).



[www.trsga.com](http://www.trsga.com)



# Legislative Update

May 7, 2024



## Legislation

*Please see the following for a summary of legislation that has been introduced during the second year of the biennium session that could affect TRS.*

**HB 385** includes the addition of the United States Space Force to the list of included branches of Uniformed Services in which service credit can be established towards a retirement benefit. Members who are not currently receiving a military retirement benefit and do not expect a retirement benefit for previously served military service, may transfer up to 5 years of active duty service toward TRS service credit. An additional provision to this bill would allow members who leave active TRS employment as a firefighter for active duty service to establish service credit upon returning to TRS covered employment in the same position. ***Passed by House and Senate Retirement Committees. Signed by Governor on April 22, 2024.***

**HB 481** provides specifications to fiduciaries and their duties to invest retirement assets solely in the financial interest of participants and their beneficiaries. This would prohibit investment activities that would promote social, political, or ideological interests. Fiduciaries would also be liable for any responsibilities delegated to professional investment personnel. Also, fiduciaries would be held responsible if the delegation is proven to be based upon influences other than the financial interest of participants and their beneficiaries. ***Passed by House and Senate Retirement Committees. Signed by Governor on May 6, 2024.***

**HB 484** would extend the sunset date of HB 385 (2022 version) to June 30, 2027, as opposed to its current sunset date of June 30, 2026. This bill would also expand the content areas of greatest need determined by RESAs from 3 content areas to 6. ***Died in Committee.***

*The following is a summary of legislation introduced in 2023, during the first year of the biennium session.*

**HB 335** is a fiscal bill that would permit certain persons who would otherwise be required to be members of the Public School Employees Retirement System (PSERS) upon employment to make an irrevocable election to become members of the Teachers Retirement System of Georgia (TRS). Upon becoming a member, he or she shall begin making employee contributions to TRS. Existing contributing members of PSERS shall also have the option to make an irrevocable election to become a member of Teachers Retirement System of Georgia. ***Died in Committee.***

**SB 206** is a fiscal bill that would require certain social security coverage for all employees who are members of PSERS. Employees would become eligible based on submissions and approvals by their governing political subdivision. In the event, coverage is not extended to employees of PSERS by a certain date, the plan for the political subdivision shall be amended to provide coverage to current and future employees. ***Died in Committee.***



# Legislative Update

May 7, 2024



## Legislation

**SB 240 by substitute** also is a fiscal bill that would require certain social security coverage for all PSERS members. Additional language was added to the bill to allow some charter school employees to choose between a 401(k) option or TRS upon employment. This additional language also proposes to raise the total percentage allowable for alternative investments by the Employees Retirement System. ***House and Senate disagreed on amendments and Senate Conference Report lost.***

**SB 266 by substitute** presents the same proposed legislation as HB 481. This bill provides specifications to fiduciaries and their duties to invest retirement assets solely in the financial interest of participants and their beneficiaries. This would prohibit investment activities that would promote social, political, or ideological interests. Fiduciaries would also be liable for any responsibilities delegated to professional investment personnel. Fiduciaries would be held responsible if the delegation is proven to be based upon influences other than the financial interest of participants and their beneficiaries. ***Died in Committee.***