



Legislative Update

February 22, 2019



How a Retirement Bill Becomes Law

2019-20 BIENNIUM SESSION

The 2019 legislative session opened on January 14, 2019 and kicked off the first year of the two year (2019-2020) biennium session. Retirement bills introduced during previous sessions are no longer valid. Retirement bills that have a fiscal (monetary) impact can be introduced this year, but can only be acted on during the second year, which means the earliest effective date for a fiscal bill would be July 1, 2020.

The House Retirement Committee has convened for three hearings this session. On February 12, 2019, HB 109 was heard before Committee and Representative Benton asked for and received comments regarding the bill. On February 19, 2019, a substitute to HB 109 was introduced and amendments to the bill were read before Committee. Another substitute was submitted on February 21, 2019. The bill remains in Committee.

Also, on February 15 and 19, 2019, the House Retirement Committee heard two bills (HB 320 & HB 336) that would allow certain TRS beneficiaries to return to work as full-time teachers, without affecting their retirement benefits. Both bills remain in Committee.

On February 5, 2019 SB 47 was introduced to the Senate Retirement Committee and remains in Committee. SB 129 was introduced on February 20, 2019 and remains in Committee.



Legislation

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 for more information.

- ① In 1st year, State Representative or Senator introduces legislation.
- ② Legislation is assigned to Committee (House or Senate depending on the chamber from which the bill is introduced).
- ③ 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.
- ④ In 2nd year, Committee receives actuarial study and determines if the bill should pass Committee for consideration by full House or Senate.
- ⑤ If bill passes one Chamber, House or Senate, the bill is then transmitted to the other Chamber for Committee assignment and recommendation.
- ⑥ 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/HowLegislation Works](http://www.trsga.com/Legislation/HowLegislationWorks)).



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HB 109 by substitute is a non-fiscal bill that was first introduced on February 12th and was amended and heard by the Committee on February 19th. This bill would modify certain conditions of the TRS retirement benefit for those who first become members or who withdraw their accumulated contributions on or after July 1, 2019. This bill would revise the length of time used to calculate the member's final average salary from the current 2 consecutive years to five consecutive years, and receive no more than two increases in compensation during the 5 consecutive years; earnable compensation would not exceed \$200,000, and annually thereafter by an amount equal or lesser of 3 percent or the prior year's annualized rate of inflation as determined by the Board; change the employee contribution rate to a range between 6 and 8.5 percent, as determined annually by the Board; require that a member attain the rule of 85: a member's age plus years of creditable service must add up to 85 in order to apply for retirement; a member who is at least 62 years of age may retire with at least ten years of creditable service; members would not receive creditable service for unused sick leave; and a post-retirement benefit may only be awarded once per year and not exceed the lesser of 3 percent or the prior year's annualized rate of inflation as determined by the Board. Again, these modifications would only apply to those who first become members or who withdraw their accumulated contributions on or after July 1, 2019.

HB 320 is a non-fiscal bill that would allow certain public employers to employ beneficiaries of the Teachers Retirement System of Georgia in certain capacities and under limited conditions; to require such employers to make employer and employee contributions on behalf of such employed beneficiaries; and to provide for conditions and limitations for beneficiaries who return to service full time as teachers.

HB 336 is a non-fiscal bill that would require certain public employers to make employer and employee contributions to the Teachers Retirement System of Georgia for beneficiaries employed by such certain public employers; and to permit beneficiaries to return to service full time as teachers without affecting their benefits.

SB 47 is a non-fiscal bill that would allow the purchase, at full actuarial cost, of up to 60 months of creditable service for certain active military service, performed on or after January 1, 1990, for TRS members with at least two years of membership service.

SB 129 is a fiscal bill that would authorize persons who elected to join the Board of Regents Optional Retirement Plan (ORP) to revoke such election and become a member of the Teachers Retirement System (TRS). This bill would also authorize ORP members to purchase creditable service for some or all prior service earned while participating in the ORP. The amount of creditable service awarded to ORP members would be based upon the amount paid, without creating any actuarial accrued unfunded liability to TRS, provided the amount does not exceed the actual number of service years.