



# Legislative Update

## March 15, 2023

## 2023-24 Biennium Session

The 2023 Georgia General Assembly convened on January 9, 2023, and is the first 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 following is a brief summary of House bills (HB) and Senate bills (SB) that would affect TRS if passed:

HB 335 would permit certain employees who would otherwise be required to be members of the Public School Employees Retirement System (PSERS) to make an irrevocable election to become members of TRS.

HB 481 provides direction to fiduciaries and qualified professional investment personnel to invest retirement assets solely in the financial interest of participants and their beneficiaries.

SB 240 would allow certain social security coverage for all employees who are members of PSERS within political subdivisions. The political subdivision must submit and receive approval by the state agency.

SB 266, similarly to HB 481, also gives guidelines for fiduciaries to invest retirement assets solely in the financial interests 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.



## How a Retirement Bill Becomes Law

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/).





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## Legislation

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

**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. *Assigned to the House of Representatives Retirement Committee.*

**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. 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. *Assigned to the House of Representatives Retirement Committee.*

**SB 240 by substitute** 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 of 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. *Passed by the Senate Retirement Committee; Assigned to the House of Representatives Retirement Committee.*

**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. *Passed by the Senate Retirement Committee; Assigned to the House of Representatives Retirement Committee.*