



Legislative Update

April 6, 2021



How a Retirement Bill Becomes Law

2021-22 Biennium Session

The Georgia General Assembly convened on January 11, 2021, and adjourned on March 31, 2021. This concludes the first of the two-year (2021-2022) biennium session.

Retirement bills that have a fiscal (monetary) impact can be introduced during the first year and can only be acted on during the second year of the session. Therefore, the earliest effective date for a newly introduced fiscal bill would be July 1, 2022.



Legislation

The following is a brief summary of House bills (HB) and Senate bills (SB) that would affect TRS if passed:

HB 173 would prohibit TRS to expand their use of alternative investments and would restrict the limit of such investments to five percent of the system's assets at any time.

HB 385 would allow certain retired members to return to work full-time and continue to receive their monthly retirement benefits and include any eligible postretirement adjustments. This provision would be limited to certified teachers of Pre-K through grade 12.

SB 267 would allow members who chose optional retirement allowances to authorize changes to one or more of their named beneficiaries in retirement. However, members shall not be permitted to make such changes more than once every three years.

Please see page 2 for a description 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.

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.



www.trsga.com



Legislative Update

April 6, 2021



Legislation

HB 173 by substitute is a fiscal bill that would provide limitations for the Teachers Retirement System of Georgia to authorize expanding increases of its use of alternate investments. The Teachers Retirement System of Georgia shall not in the aggregate exceed five percent of the system's assets at any time. ***House Retirement Committee favorably reported and referred for actuarial study.***

HB 385 is a fiscal bill that would permit public school systems to employ beneficiaries of the Teachers Retirement System of Georgia as classroom teachers in a full-time capacity in an area of highest need determined for the Regional Education Service Agency to which such public-school system is assigned. Such employers would be required to make employer and employee contributions on behalf of such employed beneficiaries. A public school system may employ a beneficiary in a full-time capacity as a certified teacher of pre-kindergarten through grade 12 who has as his or her primary responsibility the academic instruction of students in a classroom in an area of highest need determined for the RESA. There must be at least one year that has expired from the effective date of such beneficiary's retirement. The member shall continue to receive his or her retirement allowance and any postretirement benefit adjustments for which he or she is eligible. However, such service shall not constitute creditable service and shall not entitle such beneficiary to a recalculation of retirement benefits upon ending such service. ***Referred for actuarial study by the House Retirement Committee.***

SB 267 is a fiscal bill that would allow a retired member who elected an optional retirement allowance that included one or more named beneficiaries to be eligible to change any of such named beneficiaries under certain conditions and limitations. A member shall be allowed to make that decision at any time but they would be restricted to make such changes no more than once every three years. Any election made shall become effective on the first day of the second month following the month in which such election is made. In no event shall any election made be effective retroactively. The retired member's benefit would be recalculated to ensure that the combined cost to the retirement system shall be the actuarial equivalent of the retirement allowance that was in effect immediately prior to the change. ***Heard by the Senate Retirement Committee.***