



Legislative Update

May 5, 2022

2021-22 Biennium Session

The 2022 legislative session commenced on January 10, 2022, and concluded on April 4, 2022. Thankfully, this year's hearings were not impacted in the manner they were during the first year of the biennium session due to COVID-19's impact.

Retirement legislation introduced in 2021 that has a fiscal impact and was forwarded for actuarial study remained active for the 2022 session. Fiscal bills that were not forwarded for actuarial study have "died in Committee" and were not considered for the remainder of the session. Non-fiscal bills that did not require an actuarial study remained valid.

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 has convened for five hearings during the second year of the biennium session. On March 22, 2022, HB 385 passed and was adopted by the Retirement Committee then signed into law by the governor on April 28, 2022. No other legislation that could directly affect TRS was introduced during these meetings.

The Senate Retirement Committee assembled for seven hearings during the second year of the biennium session. Senate Bill (SB) 267 which would allow a retiree who chose an optional retirement allowance to change a beneficiary in limited circumstances died in committee.

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.



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.



www.trsga.com



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Legislation

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

The following bills were introduced to the Georgia State Auditor and if declared “actuarial”, were submitted to our actuary for review:

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. ***Signed into law by Governor; Effective date July 01, 2021.***

HB 385 This bill 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 (RESA) 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 post-retirement 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. ***Signed into law by Governor; Effective date July 01, 2022.***

SB 267 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. ***Died in committee.***