

# Legislative Update

For the Week of: March 28- April 4, 2022  
Legislative Days: 36 - 40

April 4, 2022

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## *Legislative Log*

### **Monday, March 28, 2022**

#### **HB 824 – Georgia Legislative Retirement System; retirement allowance; increase**

This bill increases Legislative Retirement System (LRS) member's monthly benefit payable at retirement by increasing the multiplier from \$36 to \$50. Such increase will be effective July 1, 2022 and only applies to those individuals who were contributing members on January 1, 2022 or who first becomes an LRS member after January 1, 2022.

In addition to the benefit increase, members will continue the current contribution rate (8.5%) until June 30, 2022 at which point on and after July 1, 2022 each member must contribute \$165 each month.

It also includes a definition of "presiding creditable service," such that individuals who are serving as the presiding officer in the House of Representatives will receive an additional \$200 in their monthly benefit for each year of such member's presiding creditable service. Affected individuals will also be required to contribute an additional \$660 each month on top of the newly required \$165 monthly employee contribution.

**HB 824 received a DO PASS from the Senate Retirement Committee.**

## ***Legislative Log (continued)***

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**Tuesday, March 29, 2022**

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### **SB 343 – Retirement; prohibition of granting postretirement benefit adjustments to any individual who became a member on or after July 1, 2009; remove**

This bill contains several provisions, which are listed out below:

Section 1 – Specifies that employers shall contribute amounts relating to creditable service for forfeited leave only for retirements that become effective prior to July 1, 2022.

- All forfeited leave payments for future retirements beyond such date would be factored into actuarial assumptions for ERS and paid as part of the ADEC.

Section 2 – Updates 401(k) employer matching structure for GSEPS members of ERS.

- Employers would match employee contributions on a one-for-one basis up to a maximum of five percent of the employee's pay.
- GSEPS members with more than five years of creditable service and who contribute five percent to their 401(k) would receive an additional 0.5 percent employer match for each year of service that exceeds five years.
- The additional employer matching contribution would be capped after 13 years of service, which is equivalent to a maximum employer contribution of nine percent.

**SB 343 received a DO PASS from the House Rules Committee and was placed on the House debate calendar for 3/30/2022.**

**Wednesday, March 30, 2022**

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### **SB 343 – Retirement; prohibition of granting postretirement benefit adjustments to any individual who became a member on or after July 1, 2009; remove**

This bill contains several provisions, which are listed out below:

Section 1 – Specifies that employers shall contribute amounts relating to creditable service for forfeited leave only for retirements that become effective prior to July 1, 2022.

- All forfeited leave payments for future retirements beyond such date would be factored into actuarial assumptions for ERS and paid as part of the ADEC.

Section 2 – Updates 401(k) employer matching structure for GSEPS members of ERS.

## ***Legislative Log (continued)***

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- Employers would match employee contributions on a one-for-one basis up to a maximum of five percent of the employee's pay.
- GSEPS members with more than five years of creditable service and who contribute five percent to their 401(k) would receive an additional 0.5 percent employer match for each year of service that exceeds five years.
- The additional employer matching contribution would be capped after 13 years of service, which is equivalent to a maximum employer contribution of nine percent.

**SB 343 received a DO PASS from the House by a vote of 168-1.**

### **Thursday, March 31, 2022**

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#### **HB 824 – Georgia Legislative Retirement System; retirement allowance; increase**

This bill increases Legislative Retirement System (LRS) member's monthly benefit payable at retirement by increasing the multiplier from \$36 to \$50. Such increase will be effective July 1, 2022 and only applies to those individuals who were contributing members on January 1, 2022 or who first becomes an LRS member after January 1, 2022.

In addition to the benefit increase, members will continue the current contribution rate (8.5%) until June 30, 2022 at which point on and after July 1, 2022 each member must contribute \$165 each month.

It also includes a definition of "presiding creditable service," such that individuals who are serving as the presiding officer in the House of Representatives will receive an additional \$200 in their monthly benefit for each year of such member's presiding creditable service. Affected individuals will also be required to contribute an additional \$660 each month on top of the newly required \$165 monthly employee contribution.

**HB 824 received a DO PASS from the Senate Rules Committee and was placed on the Senate debate calendar for 4/4/2022.**

### **Friday, April 1, 2022**

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#### **SB 343 – Retirement; prohibition of granting postretirement benefit adjustments to any individual who became a member on or after July 1, 2009; remove**

This bill contains several provisions, which are listed out below:

## ***Legislative Log (continued)***

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Section 1 – Specifies that employers shall contribute amounts relating to creditable service for forfeited leave only for retirements that become effective prior to July 1, 2022.

- All forfeited leave payments for future retirements beyond such date would be factored into actuarial assumptions for ERS and paid as part of the ADEC.

Section 2 – Updates 401(k) employer matching structure for GSEPS members of ERS.

- Employers would match employee contributions on a one-for-one basis up to a maximum of five percent of the employee's pay.
- GSEPS members with more than five years of creditable service and who contribute five percent to their 401(k) would receive an additional 0.5 percent employer match for each year of service that exceeds five years.
- The additional employer matching contribution would be capped after 13 years of service, which is equivalent to a maximum employer contribution of nine percent.

**SB 343 received an AGREE to the House Substitute from the Senate by a vote of 54-0.**

### **Monday, April 4, 2022**

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#### **HB 824 – Georgia Legislative Retirement System; retirement allowance; increase**

This bill increases Legislative Retirement System (LRS) member's monthly benefit payable at retirement by increasing the multiplier from \$36 to \$50. Such increase will be effective July 1, 2022 and only applies to those individuals who were contributing members on January 1, 2022 or who first becomes an LRS member after January 1, 2022.

In addition to the benefit increase, members will continue the current contribution rate (8.5%) until June 30, 2022 at which point on and after July 1, 2022 each member must contribute \$165 each month.

It also includes a definition of "presiding creditable service," such that individuals who are serving as the presiding officer in the House of Representatives will receive an additional \$200 in their monthly benefit for each year of such member's presiding creditable service. Affected individuals will also be required to contribute an additional \$660 each month on top of the newly required \$165 monthly employee contribution.

**HB 824 received a DO PASS from the Senate by a vote of 43-9.**

## ***Legislative Log (continued)***

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### **HB 1280 – Revenue and taxation; county tax commissioner duties; revise provisions**

This bill authorizes the State Revenue Commissioner to contract with the Employees' Retirement System of Georgia (ERSGA) for the administration of a deferred compensation plan for "eligible county tax commissioners," where such term is defined in the legislation. In accordance with such contract, ERGSA shall investigate and approve a deferred compensation plan which:

- Offers income tax benefits in connection with plans authorized by United States Internal Revenue Code of 1986;
- Does not include compensation deferred under such plan for the purposes of computation of any federal income tax withheld on behalf of or payable by any such individual before any deferred payment date; and
- Exempts all contributions to such deferred compensation plan from State withholding tax, so long as such contributions are not includable in gross income for federal income tax purposes. Currently, any individual employed as the State-wide Business Court Judge is eligible for retirement plan membership under JRS.

In addition to the above deferred compensation plan requirements, ERGSA is also authorized to include, as an option, for "eligible county tax commissioners" a qualified ROTH contribution program in accordance with Section 402A of the IRC.

On or after July 1, 2022, any "eligible county tax commissioner" who contributes a percentage of their minimum annual salary paid by the county according to O.C.G.A. § 48-5-183(b)(1) and (2) into the deferred compensation plan, the State shall contribute an equal amount up to five percent (5%), with the State contributions being subject to federal law limitations. Each "eligible county tax commissioner" can make additional contributions to their deferred compensation accounts, which will also be subject to federal law limitations.

This legislation also authorizes both the Board of ERGSA and the State Revenue Commissioner to impose withholding and remittance of contribution requirements by county governing authorities in order to carry out this Code section and comply with state and federal law.

**HB 1280 received a DO PASS from the Senate by a vote of 45-7.**