

House Bill 764 (AS PASSED HOUSE AND SENATE)

By: Representatives Maxwell of the 17th, Battles of the 15th, Greene of the 151st, Buckner of the 137th, Benton of the 31st, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 10 of Chapter 2 of Title 47 of the Official Code of Georgia Annotated,
2 relating to the Georgia State Employees' Pension and Savings Plan, so as to provide that
3 certain employees shall make employee contributions to such plan at the rate of 5 percent
4 unless otherwise specified; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 SECTION 1.

7 Article 10 of Chapter 2 of Title 47 of the Official Code of Georgia Annotated, relating to the
8 Georgia State Employees' Pension and Savings Plan, is amended by revising Code Section
9 47-2-357, relating to withdrawal, employer contributions, vesting, and date of election, as
10 follows:

11 "47-2-357.

12 (a) As used in this Code section, the term:

13 (1) '401(k)' means the deferred compensation plan offered by the state for public
14 employees pursuant to Article 3 of Chapter 18 of Title 45 utilizing Section 401(k) of the
15 federal Internal Revenue Code.

16 (2) 'Plan' means the employee savings plan created by this article.

17 (b) Each member shall, at the time of becoming a member, be automatically enrolled in
18 the plan; provided, however, that the member shall have a period of 90 days from the date
19 of enrollment to withdraw from the plan. Such withdrawal shall be made in writing to the
20 board of trustees in such form as the board prescribes and any employee account balance
21 shall be returned to the member. Thereafter, participation in the plan shall be voluntary.
22 The member may not withdraw from the plan so long as he or she remains eligible to
23 participate in the 401(k) plan offered by the state. ~~Members shall be entitled to an~~
24 ~~employer contribution as follows:~~

25 ~~(1) For each pay period, each member shall contribute 1 percent of his or her~~
 26 ~~compensation into his or her 401(k) account and the employer shall contribute an equal~~
 27 ~~amount into his or her 401(k) account;~~

28 ~~(2) After the 1 percent level provided for in paragraph (1) of this subsection has been~~
 29 ~~met, the employer shall contribute an amount equal to 50 percent of such amount as the~~
 30 ~~member chooses to contribute, up to an additional 2 percent of the member's~~
 31 ~~compensation; and~~

32 ~~(3) The member may make such additional contributions as he or she wishes, subject to~~
 33 ~~limitations imposed by federal law.~~

34 (c)(1) This paragraph shall apply to persons who became members prior to July 1, 2014.
 35 Unless the participating member elects otherwise, the member shall, for each pay period,
 36 contribute 1 percent of his or her compensation into his or her 401(k) account. The
 37 member may change such level of participation at any time.

38 (2) This paragraph shall apply to persons who become members on or after July 1, 2014.
 39 Unless the participating member elects otherwise, the member shall, for each pay period,
 40 contribute 5 percent of his or her compensation into his or her 401(k) account. The
 41 member may change such level of participation at any time.

42 (d) After the participating member has contributed an amount equal to 1 percent of his or
 43 her salary into the 401(k) plan for a pay period, the employer shall contribute an equal
 44 amount into his or her 401(k) account. Thereafter, the employer shall contribute an amount
 45 equal to 50 percent of such amount as the member chooses to contribute for each pay
 46 period, up to an additional 2 percent of the member's compensation. The member may
 47 make such additional contributions as he or she desires, subject to limitations imposed by
 48 federal law.

49 ~~(4)(e)~~ (e) The board of trustees shall apportion the costs of administering the plan among the
 50 employers and members on the basis of the normal costs of administration against any
 51 special services requested by any member.

52 ~~(e)(f)~~ (f) All contributions by participating members are 100 percent vested and shall be
 53 maintained in an account and invested based on the participant's investment allocation
 54 choices. All employer contributed amounts credited to a member's account shall be
 55 maintained as a matching contribution subaccount and invested based on the participant's
 56 investment allocation choices. Any and all amounts credited to a member's matching
 57 contribution subaccount, including applicable earnings and investment appreciation or
 58 depreciation, shall become vested and nonforfeitable based on the number of employment
 59 service years completed and in accordance with the vesting schedule set forth below:

Years of Service	Employer Nonforfeitable Vested Percentage
1	20
2	40
3	60
4	80
5	100

67 Upon separation from service for greater than 31 days, the portion of such matching
68 contribution subaccount not so vested shall be transferred from the member's account into
69 a temporary plan forfeiture accumulation account for future disposition as determined by
70 the board of trustees. A break in service less than 32 days shall not affect vesting rights.
71 ~~(d)~~(g) Members electing to be governed by the provisions of this article pursuant to
72 subsection (b) of Code Section 47-2-351 shall use their date of election as the beginning
73 date for purposes of calculating their vesting service for the employer contribution as
74 provided in subsection ~~(e)~~ (f) of this Code section used to calculate the vesting
75 requirements of subsection ~~(e)~~ (f) of this Code section, except that service as provided
76 under Code Section 47-2-91 shall not constitute creditable service for this purpose."

77 **SECTION 2.**

78 All laws and parts of laws in conflict with this Act are repealed.