

Senate Bill 143

By: Senators Albers of the 56th, Payne of the 54th, Kirkpatrick of the 32nd, Still of the 48th, Robertson of the 29th and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 6 of Chapter 7 of Title 47 of the Official Code of Georgia Annotated,
2 relating to retirement, retirement allowances, disability benefits, and death benefits relative
3 to the Georgia Firefighter's Pension Fund, so as to provide for certain members to retire at
4 age 50; to provide for certain members to continue working while receiving retirement
5 benefits; to provide for certain members who have retired and reentered employment to
6 accrue creditable service without a seven-year minimum; to amend Article 7 of Chapter 20
7 of Title 47 of the Official Code of Georgia Annotated, the "Public Retirement Systems
8 Investment Authority Law," so as to provide for an exception for the Georgia Firefighters'
9 Pension Fund to invest in assets rated below investment grade; to provide for a maximum
10 percentage of assets to be invested in such assets; to raise the limit for the total percentage
11 of funds that the Georgia Firefighter's Pension Fund may invest in alternative investments;
12 to provide conforming changes; to provide for related matters; to provide conditions for an
13 effective date and automatic repeal; to repeal conflicting laws; and for other purposes.

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

15

SECTION 1.

16 Article 6 of Chapter 7 of Title 47 of the Official Code of Georgia Annotated, relating to
 17 retirement, retirement allowances, disability benefits, and death benefits relative to the
 18 Georgia Firefighter's Pension Fund, is amended in Code Section 47-7-100, relating to
 19 eligibility for full pension benefits, eligibility for partial benefits, optional pension benefits,
 20 vesting of rights to pension benefits, and early retirement provisions, by revising
 21 subsections (b) through (f) as follows:

22 ~~“(b)(1) Any eligible member who has attained the age of 55 years and who terminates~~
 23 ~~service as a firefighter or volunteer firefighter after at least 25 years of service, upon~~
 24 ~~application to and approval by the board, shall have a vested right in an amount equal to~~
 25 ~~the maximum monthly retirement benefit in effect on the date the board approves such~~
 26 ~~application. Such benefits shall commence on the date of the member's termination of~~
 27 ~~service. Any eligible member who has attained the age of 50 and whose age in years and~~
 28 ~~creditable service in years when combined equal at least 80, upon application to and~~
 29 ~~approval by the board, shall be eligible for a monthly benefit equal to such member's~~
 30 ~~vested monthly benefit pursuant to subsection (c) of this Code section in effect on the~~
 31 ~~date the board approves such application, subject to the provisions of subsection (f) of~~
 32 ~~this Code section. Such benefits shall commence on the date of approval by the board.~~
 33 ~~It shall not be a requirement that a retired member terminate his or her employment or~~
 34 ~~volunteer service to receive retirement benefits under this paragraph. A member who~~
 35 ~~retires under this paragraph and who chooses to remain employed or continue his or her~~
 36 ~~volunteer service while receiving retirement benefits shall not pay monthly dues nor shall~~
 37 ~~such member be eligible to earn or buy additional creditable service.~~

38 (2) Any eligible member who terminates service as a firefighter or volunteer firefighter
 39 after 25 years of service, but before reaching the age of 55 years, may, upon ~~filing an~~
 40 ~~application with the board~~ application to and approval by the board, cease payment of
 41 such member's monthly dues following such termination of service and, upon reaching

42 the age of 55 years and being otherwise eligible, shall be paid a monthly benefit equal to
43 the maximum monthly retirement benefit in effect on the date such member attains the
44 age of 55 years.

45 (3) Any eligible member who terminates service after at least 15 years of service, upon
46 application to and approval by the board, shall be eligible for a monthly benefit equal to
47 such member's vested monthly benefit pursuant to subsection (c) of this Code section in
48 effect on the date of such termination of service, subject to the provisions of
49 subsection (f) of this Code section. Such benefits shall become payable when the
50 member reaches 55 years of age or when such member terminates his or her employment,
51 whichever is later.

52 (c) Any eligible member who accrues at least 25 years of creditable service shall have a
53 vested right in and to a monthly benefit equal to the maximum monthly retirement benefit
54 in effect on the applicable date provided for in subsection (b) of this Code section. Any
55 eligible member who terminates service has accrued at least 15 years of creditable service
56 as a firefighter or volunteer firefighter after at least 15 years of service, upon application
57 to and approval by the board, shall have a vested right in and to a monthly benefit payable
58 for the member's lifetime equal to a pro rata amount of the maximum monthly retirement
59 benefit provided in subsection (b) of this Code section in effect on the applicable date of
60 such termination of service provided for in subsection (b) of this Code section, which
61 amount shall be determined by the ratio of years served, being not less than 15 nor more
62 than 25, to the full 25 year service retirement. Such benefits shall become payable when
63 the member reaches 55 years of age or when he or she terminates employment as a
64 firefighter or volunteer firefighter, whichever is later.

65 (d) At any time prior to approval by the board of an application for retirement, a member
66 may elect or may revoke a previous election and make a new election to have monthly
67 benefits payable under one of the options set forth in this subsection, in lieu of the benefits
68 payable under subsection (b) ~~or (c)~~ of this Code section. The benefits shall be paid in

69 accordance with the terms of the option elected. Election of any option shall be made by
70 the member on forms provided by the board and shall be subject to approval by the board,
71 which approval shall not be unreasonably withheld. No optional election is available for
72 payment of disability benefits.

73 (1) Option A, the joint and survivor option, shall consist of a decreased retirement
74 benefit which shall be payable during the joint lifetime of both the member and the
75 member's spouse and which shall continue after the death of the member during the
76 lifetime of the spouse in the amount chosen by the member, which amount shall be 100
77 percent, 75 percent, 66 2/3 percent, or 50 percent of the member's benefits. Any member
78 who has completed 15 years of creditable service may elect that, in the event of the
79 member's death prior to receiving any retirement benefits under this chapter, the
80 member's spouse shall receive decreased retirement benefits in the amount elected by the
81 member, which amount shall be 100 percent, 75 percent, 66 2/3 percent, or 50 percent of
82 the benefits to which the member would have been entitled based upon the member's
83 creditable service as of the time of the member's death. The decreased retirement benefits
84 payable to the spouse of a member who dies prior to receiving any retirement benefits
85 under this chapter shall commence on the date the member would have become 55 years
86 of age and shall not be payable unless, prior to the member's death, the member had
87 elected such benefits in the form and manner prescribed by the board and had filed such
88 election with the board.

89 (2) Option B, the ten years' certain and life option, shall consist of a decreased retirement
90 benefit payable to the member during the member's lifetime; and, in the event of the
91 member's death within ten years after the member's retirement, the same monthly benefits
92 shall be payable to the member's selected beneficiary, or, if the member so elects, the
93 total monthly benefit may be divided equally among up to five selected beneficiaries, for
94 the balance of such ten-year period.

95 (3) If a member selects Option A, then, after the approval of the application for
96 retirement, the following provisions apply:

97 (A) If the member's spouse shall predecease the member, the member may, in writing
98 on forms prescribed by the board and subject to approval by the board, revoke Option
99 A and thereafter receive during the member's lifetime a monthly retirement benefit
100 commencing on the date on which the board approves such revocation, but not for any
101 period prior to such approval, equal to the maximum monthly benefit which would have
102 been payable to him had such option not been exercised;

103 (B) If there is entered a final judgment of complete divorce between the member and
104 the member's spouse, the member may, in writing on forms prescribed by the board and
105 subject to approval by the board, revoke Option A and thereafter receive during the
106 member's lifetime a monthly retirement benefit commencing on the date on which the
107 board approves such revocation, but not for any period prior to such approval, equal to
108 the maximum monthly benefit which would have been payable had such option not
109 been exercised; and

110 (C) If, following the death of the member's spouse or the entry of a final judgment of
111 divorce between the member and the member's spouse, the member remarries, the
112 member may, in writing on forms prescribed by the board and subject to approval by
113 the board, elect Option A with respect to the member's new spouse. The joint and
114 survivor benefit shall be determined as of the date of the election.

115 (4) The amount of any optional retirement benefit set forth in this subsection shall be the
116 actuarial equivalent of the amount of the benefit that would otherwise be payable to the
117 member under subsection (b) ~~or (c)~~ of this Code section based upon the interest rate and
118 mortality basis approved from time to time by the board, the age of the member, and, if
119 applicable, the age of his spouse as of the date benefits are to commence or as of the date
120 benefits would have commenced if the member had retired after first becoming eligible

121 for full benefits, whichever is earlier, but the optional benefits available under Option A
122 shall be calculated without regard to the provisions of paragraph (3) of this subsection.

123 (e)(1) Any eligible member who retires after July 1, 1984, shall be entitled to an increase
124 in the maximum monthly retirement benefit in effect at the time of his or her retirement
125 under this Code section equal to 1 percent of the monthly retirement benefit for which the
126 member would have been otherwise eligible for each full year of creditable service while
127 a member of the fund ~~as a firefighter or volunteer firefighter~~ in excess of 25 years of
128 creditable service.

129 (2) Any eligible member who retires after July 1, 2002, shall be entitled to an increase
130 in the maximum monthly retirement benefit in effect at the time of his or her retirement
131 under this Code section equal to 2 percent of the monthly retirement benefit for which the
132 member would have been otherwise eligible for each full year of creditable service while
133 a member of the fund ~~as a firefighter or volunteer firefighter~~ in excess of 25 years of
134 creditable service. Such increase shall be the total increase allowed by this subsection.

135 (f) Any eligible member who would be entitled to the commencement of retirement
136 benefits upon reaching age 55 under subsection (b) or (c) of this Code section may elect
137 to ~~retire~~ receive such benefit after reaching the age of 50 but before reaching the age of 55,
138 ~~and immediately commence the drawing of retirement benefits and in that such~~ event the
139 member shall be eligible ~~immediately upon retirement~~ for a reduced monthly pension
140 benefit in an amount determined by multiplying the benefit for which the member would
141 have been otherwise entitled under subsections (b), ~~(c)~~, and (e) of this Code section had the
142 member delayed retirement or the commencement of benefits until the member reached age
143 55, such benefit to be determined as of the date of the member's actual retirement or first
144 receipt of the monthly retirement benefit by the factor set forth below:

145 If the Member's Age At Retirement 146 (determined by the member's age at the 147 member's immediately preceding 148 birthday) Is:	The Early Retirement Factor Is:
149 50	.70
150 51	.76
151 52	.82
152 53	.88
153 54	.94

154 The option available under this subsection may also be exercised by a surviving spouse
155 who is the beneficiary of an Option A election with respect to the benefits payable to the
156 spouse in the event the member dies prior to receiving any benefits and would have been
157 able to exercise the option available under this subsection."

158 **SECTION 2.**

159 Said article is further amended in Code Section 47-7-101, relating to eligibility for retirement
160 benefits, withdrawal of application for benefits before approval, and reemployment, by
161 revising subsection (b) as follows:

162 "(b) Any person who again becomes a paid employee of a fire department or of a volunteer
163 fire department after having been placed on retirement or disability under Code Section
164 47-7-100 or 47-7-102 shall immediately notify the executive director of such
165 reemployment. Except as provided in paragraph (1) of subsection (b) of Code Section
166 47-7-100, retirement ~~Retirement~~ benefits being paid to such person shall be suspended as
167 of the date of such reemployment and shall remain suspended until such reemployment
168 terminates at which time the payment of retirement benefits shall be resumed in the amount
169 to which the person was eligible at the time of reemployment. A retired member who has
170 retired under paragraph (2) or (3) of subsection (b) of Code Section 47-7-100, may choose

171 to pay monthly dues and earn creditable service during the period of reemployment.
 172 Disability benefits being paid to any such person shall be terminated as of the date of such
 173 reemployment. ~~Within six months of the commencement of reemployment, any such~~
 174 ~~person who at the time of application otherwise meets the requirements for membership~~
 175 ~~may, by application in the manner provided by this chapter, become a member of the fund.~~
 176 ~~In the event the application is granted, such member, upon meeting the requirements~~
 177 ~~provided by law, shall be entitled to all benefits provided for in Code Section 47-7-100, but~~
 178 ~~the amount of monthly retirement or disability benefits payable to such member shall not~~
 179 ~~exceed the amount of the monthly benefit which would be payable to such member had~~
 180 ~~such subsequent retirement become effective at the time of the member's prior retirement,~~
 181 ~~unless after such reemployment the member shall have acquired not less than seven years'~~
 182 ~~creditable service as a member of the fund."~~

183

SECTION 3.

184 Article 7 of Chapter 20 of Title 47 of the Official Code of Georgia Annotated, relating to the
 185 "Public Retirement Systems Investment Authority Law," is amended in Code Section
 186 47-20-83, relating to certificated or uncertificated forms of investment and real estate
 187 investments, by adding a new paragraph to subsection (b) to read as follows:

188 "(3) Notwithstanding the provisions paragraphs (1), (7), and (9) of subsection (a) of this
 189 Code section, the Georgia Firefighters' Pension Fund may invest up to 10 percent of the
 190 total assets of its fund in investments in forms of assets rated below investment grade by
 191 nationally recognized rating agencies."

192

SECTION 4.

193 Said article is further amended in Code Section 47-20-87, relating to eligible large retirement
 194 systems authorized to invest in certain alternative investments, by revising paragraph (1) of
 195 subsection (d) as follows:

196 "(d)(1)(A) Alternative investments by an eligible large retirement system shall not in
197 the aggregate exceed 10 percent of the eligible large retirement system's assets at any
198 time.

199 (B) Notwithstanding subparagraph (A) of this paragraph, alternative investments by
200 the Georgia Firefighters' Pension Fund shall not in the aggregate exceed ~~15~~ 20 percent
201 of its assets at any time.

202 (B.1) Notwithstanding subparagraph (A) of this paragraph, alternative investments by
203 the Peace Officers' Annuity and Benefit Fund shall not in the aggregate exceed 15
204 percent of its assets at any time.

205 (C) Notwithstanding subparagraph (A) of this paragraph, the Teachers Retirement
206 System of Georgia shall not in the aggregate exceed 5 percent of such system's assets
207 at any time.

208 (D) Notwithstanding subparagraph (A) of this paragraph, the Employees' Retirement
209 System of Georgia shall not in the aggregate exceed 5 percent of such system's assets
210 at any time."

211 **SECTION 5.**

212 This Act shall become effective on July 1, 2026, only if it is determined to have been
213 concurrently funded as provided in Chapter 20 of Title 47 of the Official Code of Georgia
214 Annotated, the "Public Retirement Systems Standards Law"; otherwise, this Act shall not
215 become effective and shall be automatically repealed in its entirety on July 1, 2026, as
216 required by subsection (a) of Code Section 47-20-50.

217 **SECTION 6.**

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