



## **HB 1380 STALLED BY QUICK GSRA ACTION!**

HB 1380, introduced in the Georgia House on March 11, and assigned to the House Appropriations Committee for consideration at their meeting on Monday March 15, would have required the ERS pension trust fund to pay premiums on life insurance policies taken out by the State of Georgia on the lives of active state employees and retirees. *The ERS Executive Director also expressed concerns about the cost of HB 1380 to the pension trust fund, and stated that most states have not looked favorably on this type of plan.*

We are very pleased to report that YOUR telephone calls and emails to your legislators in the wake of

GSRA's email Action Alert of March 13<sup>th</sup>, had everything to do with its removal from the committee meeting agenda before the 2pm start time on Monday. Amazing! Some legislators reportedly received upwards of 300 phone calls and emails protesting this bill. Congratulations to all GSRA members who heeded the call and acted so quickly. And though the bill appears to have been stopped in its tracks for this session, please remember that it (or another bill like it) could always rear its ugly head again next year. GSRA's Legislative Committee will continue to monitor this situation closely.

## **MORE FROM THE LEGISLATIVE COMMITTEE**

GSRA Leadership has initiated meetings with various lawmakers to build support for GSRA's legislative goals. Though the 'early retirement' issue is still being talked about as one of several solutions to deal with the ongoing budget crisis, it appears to have been put on the back burner for now. Legislators had asked ERS to provide information on possible cost savings to the State by offering early retirement to state employees who are within a year or two of service retirement. *As with HB 1380, GSRA members should note that all 'early retirement' proposals have originated from Legislative members and/or their budget staffs. ERS staff has responded to requests for information and has expressed concern about the*

*ultimate costs of any 'early retirement' proposal to the pension fund.* It is remarkable that, to our knowledge, apparently not one legislator has raised the question of the huge impact such a move would have on the ERS trust fund itself. There is even talk of offering these employees a \$10,000 bonus for taking early retirement. Current active employees close to retirement would be well advised to think long and hard before accepting this deal without considering how it would affect the calculation of their monthly benefit. One legislator was overheard saying that anyone accepting this 'early retirement' offer "would have to be crazy." Remember the old saying: If it sounds too good to be true..... it is.

## **2009-2010 GENERAL ASSEMBLY - BILLS OF INTEREST** **Updated through March 18, 2010**

The Georgia General Assembly convened the 2010 session on January 11, 2010 with all members concerned about the impending FY 2010 and FY 2011 revenue shortfall. March 18<sup>th</sup> was the 27<sup>th</sup> day of 40 legislative days. The next legislative date is March 22, 2010.

The following table provides information on bills of interest that have been introduced through March 18, 2010, including those that were introduced in 2009 and continue to be active. **Actions taken during the period 2/18/10 through 3/18/10 are highlighted in "red."**

Bill Number	Short Description	Status (03/18/10)
<b>2010 Introduced Legislation</b>		
SB 310	Provides for regulating and licensing pharmacy benefit managers (PBMs), including mail-order PBMs that provide pharmacy services to Georgia citizens.	Passed Senate 3/8/10; assigned to House Insurance 3/9/10
SB 316	Requires insurers who offer Medicare Supplemental policies to provide the policies to citizens under the age of 65 who have Medicare because of a disability.	Senate Passed on 2/18/10. Assigned to House Insurance 3/9/10.
SB 320	Enacts a bill of rights for Georgia teachers, i.e. have independent thought, express constructive criticism, right to a grievance, have a non-attorney representative at any disciplinary hearing, etc.	Favorably Reported by Education & Youth 3/18/10.
SB 330	Redefines "Major Medical" to prohibit lifetime maximums for coverage, limits ability of insurers to rescind or cancel policies, requires coverage for dependent children up to age 26 regardless of student status.	Favorably Reported by Insurance & Labor 3/10/10.
SB 399	Provides for no state department to implement federal health care reform legislation until it reports to the General Assembly.	Favorably Reported by Gov Oversight on 3/18/10.
SB 407	Allows Insurance Commissioner to identify states with laws consistent with Georgia to approve sale of individual health insurance to Georgia citizens.	Favorably reported by Senate Insurance & Labor on 3/10/10.
SB 436	Repeals obsolete and inoperative provisions of the Employees Retirement System Code.	Favorably Reported by Senate Retirement on 3/17/10.
SB 445	Requires insurance companies to offer policies that include wellness incentives.	Assigned to the Insurance and Labor Committee on 3/8/10.
SB 478	Requires the State Accounting Officer to contract for auditing state contracts, except for Medicaid, Peach Care and SHBP, for errors and abuse	Favorably Reported by Finance Committee on 3/18/10.
SB 515	Protects educators from furloughs when the school system has unencumbered reserves equal to 6% of that year's total budget.	Assigned to Education & Youth Committee on 3/17/10.
SR 794	Resolution to amend GA's constitution so that no law or rule or regulation shall compel any person, employer, or health care provider to participate in any health care system.	Failed in Senate (34-19) on 3/17/10. To be reconsidered.
SR 1290	Creates a Joint Study Committee on Performance Based Salaries for Teachers.	Assigned to Education & Youth on 3/18/10.
HB 916	Provides for nullifying retirement for persons under age 60 who return to State Government work within two consecutive months as an employee or a contract employee, unless the contract work for State Government is incidental to the contract employer.	Passed House and favorably Reported by Senate Retirement on 3/11/10.
HB 960	Defines the order of payments to beneficiaries for deceased members of the defined contribution plan when no beneficiary is on file.	Recommitted to House Retirement on 3/11/10.
HB 969	Changes state law to comply with federal IRC regarding retirement issues and normal retirement age although TRS states that the TRS pension plan is administered in compliance with	Passed House and favorably reported by Senate Retirement Committee on 3/11/10.

Bill Number	Short Description	Status (03/18/10)
	IRS retirement law. A section of this bill impacts the Public School Employees Retirement (PSERS) in that it provides for suspension of the retirement benefit for a person under age 60 returning to work within two months or to choose not to receive retirement credit for work.	
HB 997	Transfers the state's administration of the federal social security plan for Georgia's state and local governments from the ERS to the State Personnel Administration.	Passed House and favorably reported by Senate Retirement on 3/11/10.
HB 1110	Prohibits Education Board Members from employment in a local school system within 1 year.	Favorably reported by Education Committee on 3/18/10.
HB 1263	Requires insurance policies to reimburse orally administered chemotherapy at the same rate as intravenously administered chemotherapy.	Assigned to House Insurance Committee on 3/9/10.
HB 1278	Adds a 7% tier to Georgia Income Tax schedules for net income of \$400,000 and over.	Assigned to the Ways & Means Committee on 3/9/10.
HB 1316	Provides for a bill of rights for Georgia teachers and requires annual evaluations of principals and assistant principals by teachers.	Assigned to the Judiciary Committee on 3/9/10.
HB 1339	Requires all bills that have a significant impact upon anticipated revenues or expenditures of a local school system must have a fiscal note from the State Auditor and must be introduced no later than the 20 <sup>th</sup> day of any session.	Assigned to the Education Committee on 3/17/10.
HB 1376	Establishes an "Irish Heritage and History Month" and encourages observance of Saint Patrick's Day by educational and governmental entities.	Assigned to the Education and Tourism Committee on 3/16/10.
HB 1380	Provides that the state (and any political subdivision thereof) has an insurable interest in the employees and retirees of that entity. Premiums are paid from the respective pension plan. <i>See the GSRA Action Alert of March 14, 2010 and <a href="http://www.mygsra.com">www.mygsra.com</a> (Legislative GSRA Analysis) for additional information.</i>	Assigned to House Appropriations Committee on 3/11/09.
HB 1397	Provides that monies appropriated for salaries for school system personnel shall not be diverted to other purposes.	Assigned to Government Affairs Committee on 3/16/10.
HB 1431	Creates the Georgia Services Administration and transfers functions of the Department of Administrative Services, State Personnel Administration, and Properties Commission to GSA. It assigns the Georgia Aviation Authority, the State Accounting Office, the Office of Treasury and Fiscal Services, the Georgia Building Authority, the Office of State Administrative Hearings and the Georgia Technology Authority to GSA for administrative purposes.	Assigned to the Appropriations Committee on 3/17/10.
HR 1360	Urges the Georgia Lottery Corporation to reconsider paying bonus in years with other educational personnel experience loss of pay through furloughs, etc.	Favorably Reported by Appropriations 3/16/10.
HR 1768	Provides for a Constitutional Amendment to abolish the State Personnel Board.	In the House Hopper on 3/18/10.
<b>2009 Introduced Bills – Active during 2010 Session</b>		
SB 161	SB modified to establish within the Dept of Behavioral and	Favorably reported by Senate

Bill Number	Short Description	Status (03/18/10)
& HB 426	Development an Autism Task Force to develop a plan regarding educating the public, etc. on autism.	Ins & Labor on 3/18/10. HB 426 assigned to House Insurance Committee 2/17/09.
SB 176	Amends Public Retirement Systems Standards Law to require full funding of any bill during the first year that creates liability so that no unfunded liability will be created. <i>(See GSRA Newsletter of 2/28/09 for analysis)</i>	House Passed on 3/9 and assigned to Senate Retirement Committee on 3/10/10.
SB 283	Eliminates eligibility for local future (7/1/2010) tax collectors, commissioners, and receivers in ERS	Favorably reported by House Retirement 3/11/10.
HB 194	Requires pharmacies to include both the brand and generic names for prescription drugs where the generic has been dispensed.	Favorably reported by Senate H&HS Committee on 2/11/10.

## PUBLIC PENSIONS IMPORTANT TO THE ECONOMY, STUDY FINDS

*“Public pension benefits have a sizable impact that ripples through every state and industry across the nation.”*

Most media reports about public pensions tend to focus mainly on their soaring costs. There is another side to the story, however, as reported by the National Institute on Retirement Security, a non-profit, non-partisan organization. In the NIRS study (entitled [“Pensionomics: Measuring the Economic Impact of State and Local Pension Plans”](#)) the authors found that in the period FY 2005-2006, each dollar contributed by Georgia taxpayers to public pensions supported \$5.27 in economic output—that represents a return of over five times the cost.

Retirees and beneficiaries from any of the State supported retirement systems—Teachers Retirement System, Employees Retirement System, Public School Employees Retirement System—greatly appreciate their pension benefits. However, the pensions paid out to state and local retirees are also vital to Georgia’s economy and support \$663.2 million in tax revenue to federal, state, and local governments.

Every retiree spends many years of his or her life providing to the citizens of Georgia a wide array of valuable public services—safety, social and health-related services, transportation, regulatory oversight, education, to mention just a few. For the most part, retirees have chosen to accept wages at a level lower than those offered in the private sector in return for future financial security in the form of pensions and health insurance after retirement. The NIRS study points out that rather than serving as a drain on the economy, outlays of state pension benefits are a very important stimulus for Georgia’s economy.

The National Institute on Retirement Security released the report in January 2009. A few of the facts reported are:

- State government retirees’ spending of their public pension benefits supported other people’s incomes,

creating a multiplier effect that resulted in a total economic impact of more than \$4.5 billion in FY 2005-FY 2006.

- Each single dollar contributed by GA taxpayers to state and local pensions supported \$5.27 of economic activity—a good return on the investment.
- Each dollar paid out in pension benefits supported \$1.40 in total economic activity in Georgia.

This study concluded that public pensions play a vital role in the national as well as local economies across the country. The steady, reliable monthly income provided by retirees’ public pensions stimulates and stabilizes Georgia’s economy and is especially important during periods of economic downturn. Other retirement research studies can be found at [www.nirsonline.org](http://www.nirsonline.org). You may contact the Institute at (202) 457-8190, by email to [info@nirsonline.org](mailto:info@nirsonline.org) or:

National Institute on Retirement Security  
1730 Rhode Island Ave, NW, Suite 207  
Washington, DC 20036

### ***DOES GSRA HAVE YOUR CORRECT CONTACT INFORMATION?***

**Please be sure to update your email address with GSRA when it changes. Simply log in to [www.mygsra.com](http://www.mygsra.com) using your old email address and password; select “Our Members” and “My Profile”, and then change your information using the “edit” feature. If your mailing address changes, and you do not use a computer, notify us of your new address by sending a card or letter to the address below.**

## REMINDER: YOUR GROUP TERM LIFE INSURANCE THROUGH ERS

It may be easy to forget that members of the Employees Retirement System (“old” or “new” pension plan) continue to carry all or a percentage of the Group Term Life Insurance (GTLI) coverage that they had as active State employees. The coverage and premium provisions vary depending upon when your employment with the State began. Recent questions from GSRA members led us to believe there may be confusion about this important benefit.

Detailed information about ERS life insurance benefits can be found in your ERS Explanation of Benefits, also known as the ‘Retirees’ Handbook’, or on the ERS website [www.ers.ga.gov](http://www.ers.ga.gov) (Click the Forms and Publications tab, then on Retirees Handbook on the right side of the screen). You may send questions by email to [contact@ers.ga.gov](mailto:contact@ers.ga.gov) or call 404-350-6300 to talk with a knowledgeable ERS staffer.

One of the most important points to remember for determining your maximum GTLI death benefit amount is **your salary at age 60 or at retirement**. Then the most important date to remember about the amount of coverage and premiums is, “Did you begin work **Before or After April 1, 1964?**”

If you are retired, the basic amount of coverage is 18 times your monthly salary when you retired or upon attaining age 60, whichever came first. For example, if your monthly salary at age 60 was \$2,075, your base insurance amount would be \$37,350 or 18 times \$2,075<sup>1</sup>.

For members beginning state employment **AFTER April 1, 1964**, the GTLI amount is 70% of the base amount, and you pay no premiums in retirement. For members beginning state employment **BEFORE April 1, 1964**, the amount is 100% of the base amount and you pay ½ of 1% of your final monthly salary—deducted from your pension benefit each month.

If you want to find out how much your actual life insurance benefit amount is, request the information from the ERS in writing or by phone. **And be sure to**

<sup>1</sup> “Old” Plan members **MAY** have the amount adjusted for the employer “pick-up.” Disability retirees **MAY** have different provisions.

**keep your beneficiary up-to-date!** You may have retired a long time ago, and maybe you don’t even remember who your designated beneficiary is; or you may have experienced life-changing events since then (marriage, divorce, family member’s death, etc). If a beneficiary change is in order, you may download the form from the ERS website or call ERS to request a change form. Also, be sure to include the GTLI information in your personal papers so that your survivors will have the information they need to collect this important benefit at your death.

## ERS BOARD OF TRUSTEES WELCOMES NEW MEMBER

At its February meeting, the ERS Board of Trustees welcomed new member Frank F. Thach, Jr., who was appointed by the Board. Mr. Thach, an ERS retiree, served for many years as Deputy Director of the Financing and Investment Division of the Georgia State Financing and Investment Commission. His term runs until June, 2011.

Executive Director Pamela Pharris reported on the recent National Association of State Retirement Administrators meeting in Washington, DC. There was no discussion of the latest actuarial report. Fund balances are down since last report. Follow this link to view the meeting agenda as well as the full report, (called the Secretary’s Report since the Executive Director also hold the title of Secretary to the Board of Trustees):

<http://www.ers.ga.gov/news/boarddocs.aspx>

### ERS Board Meetings 2010

**10:30 a.m.**

**Apr. 15, June 17 (Annual Meeting 11:30am), Aug. 19, Oct. 21, and Dec. 16 – ERS Conference Room, Two Northside 75, Atlanta, GA. 30318**  
Call 404 350-6300 for more information, or visit

[www.ers.ga.gov](http://www.ers.ga.gov)

### TRS Board Meetings 2010

**10:30 a.m.**

**March 31, May 26, July 21, Sept. 22, & Nov. 17**  
**TRS Conference Room, Two Northside 75, Atlanta, GA. 30318.** Call 404 352-6500 for more information, or visit [www.trsga.com](http://www.trsga.com)

## GSRA LOCAL CHAPTER NEWS

### East Metro Chapter Organizes

A large and enthusiastic group of state retirees met in late February to officially organize the East Metro Chapter of GSRA, which invites all state retirees in Rockdale, Newton, Walton and surrounding areas to join and become active. The group heard an interesting welcoming presentation from GSRA

President Bobbie J. Bennett. The new President is David Waller, and Vice President is Larry Ricks. Quarterly meetings are planned and will be posted at [www.mygsra.com](http://www.mygsra.com). For more information please contact Nanette Arnold, Membership Chair, at 770 784-5507, or by email to [nanette0257@gmail.com](mailto:nanette0257@gmail.com).



*GSRA President Bobbie Jean Bennett addresses the crowd at the East Metro Chapter's first meeting*

### Southeast GA (Waycross) Chapter to Meet

The Southeast Georgia Chapter of GSRA will hold its next meeting at 11:30 a.m., Monday, April 12, 2010, at the Holiday Inn, US 1 South, Waycross. Come join

us for an informative session and lunch. For more information please call Burton Carter at 912-282-7117, email [carterbec@bellsouth.net](mailto:carterbec@bellsouth.net).

***Join a LOCAL CHAPTER of GSRA TODAY!***

***Don't have one in your area? THEN START ONE – It's easy!***

***Local Level activities and legislative contacts are the best way to get our message across to your elected representatives.***

***FIND OUT MORE: Visit [www.mygsra.com](http://www.mygsra.com) today and click on the "Local Chapters" tab***

***OR send email to: [membership@mygsra.com](mailto:membership@mygsra.com);***

***OR drop a line to:***

***Membership Committee***

***Georgia State Retirees Association***

***PO Box 108***

***Bethlehem, GA 30620***

## PEW CENTER REPORT 'GRADES' STATES ON PENSION FUNDING

*"The Pew Center on the States is a division of The Pew Charitable Trusts that identifies and advances effective solutions to critical issues facing states. Pew is a nonprofit organization that applies a rigorous, analytical approach to improve public policy, inform the public and stimulate civic life."* So reads the introduction to the Pew Center on the States' report entitled *"The Trillion Dollar Gap: Underfunded State Retirement Systems and the Roads to Reform,"* published last month. You are encouraged to read this very eye-opening report, accessible online at:

[http://www.pewcenteronthestates.org/uploadedFiles/TrillionDollarGap\\_embargoed.pdf](http://www.pewcenteronthestates.org/uploadedFiles/TrillionDollarGap_embargoed.pdf).

Interestingly, the Pew Center rates Georgia a "Solid Performer," receiving a 'perfect' score in pension management according to Pew Center standards. Georgia is mentioned on page 42 of the report, as follows: *"Solid performers. Sixteen states received a perfect score of four out of four points and earned the label of solid performer. One example is Georgia—its state pension plans are well funded (at 92 percent) with*

*an unfunded liability that is only 49 percent of covered payroll, and the state has consistently made its actuarially required contributions. All states that earned the grade of solid performer had adequately funded pension plans, had a manageable unfunded liability and were able to consistently pay their required contributions as of 2008. Of course, being a solid performer does not mean a state has solved all of its pension and other fiscal challenges."* To view the full detailed Fact Sheet on Georgia, follow this link:

[http://www.pewcenteronthestates.org/uploadedFiles/wwwpewcenteronthestatesorg/Initiatives/R\\_and\\_D/TrillionDollarGap\\_factsheets\\_Georgia.pdf](http://www.pewcenteronthestates.org/uploadedFiles/wwwpewcenteronthestatesorg/Initiatives/R_and_D/TrillionDollarGap_factsheets_Georgia.pdf).

If you have no computer access and would like more information, contact:

The Pew Center on the States  
901 E Street NW – 10<sup>th</sup> Floor  
Washington, DC 20004-1409  
Telephone (202) 552-2000

## SO--HOW'S THAT MEDICARE ADVANTAGE PLAN WORKIN' OUT?

We are approaching the three-month anniversary of membership in the Medicare Advantage Plan (MAP), a requirement imposed on all Medicare-eligible SHBP members on January 1, 2010. GSRA would like to know of your experiences --- good or bad --- with the Medicare Advantage Plan so far. Let us know how it's

going for you. Send email to [communications@mygsra.com](mailto:communications@mygsra.com) or send regular mail to the PO Box shown at the very bottom of this page. Please include your contact information in case we'd like more information.

### **Has Your GSRA Membership Expired? Renew today!**

***BEST way to renew: Online, by credit card! Just go to [www.mygsra.com](http://www.mygsra.com) and point to the "Join Us" button, then click on "GSRA – Membership Renewal". Update your personal information on the next page if you need to, and then click "Submit" at the bottom. On the next page, click on "Credit Card" and follow the instructions. If you don't use credit cards online, just click on the "Send Check" option and follow the instructions carefully. Don't forget: Make sure your full name and mailing address, plus the words "MEMBERSHIP RENEWAL" are on the check, payable to "Georgia State Retirees Association" and send it to GSRA, PO Box 2391, Newnan, GA 30264. If you receive GSRA Newsletters by US Mail, your membership expiration date is shown above your name on the mailing label. Please renew on time by following the check-mailing instructions above. If the expiration date shown is incorrect, drop a note to GSRA, PO Box 108, Bethlehem, GA 30620.***

***Keep your membership current! Don't miss out on important news and events!!***