# HOUSE OF REPRESENTATIVES

## SB 1174

EORP; amendments

Sponsors: Senators Yarbrough: Worsley

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**DP** Committee on Insurance and Retirement

**DP** Caucus and COW

**X** As Transmitted to Governor

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**OVERVIEW**

SB 1174 makes administrative changes to statutory provisions governing the Elected Officials' Retirement Plan (EORP).

**HISTORY**

EORP was established in 1985 to provide a statewide program for eligible elected officials. *Elected official* includes every elected official of the state, counties, and incorporated cities or towns whose employer has executed a proper joinder agreement for coverage, and also includes every justice of the Supreme Court, every judge of the court of appeals and superior court, and every full-time superior court commissioner. A state elected official who is subject to term limits may elect not to participate in EORP for that specific term of office.

EORP provides retirement benefits, disability benefits, survivor benefits, and a health care subsidy. As of June 30, 2012, EORP consists of 1,969 total members including 785 retirees. Members contribute 11.5% of salary for FY 2012-13 while employers contribute an average of 36.44%, unsubsidized, and 20.87%, subsidized, of payroll. The EORP funding status is 58.4% with over $600 million in actuarially determined accrued liability.

**PROVISIONS**

- Defines *physician* as a medical or osteopathic doctor for purposes of performing disability evaluations.
- Requires survivor benefits be paid directly to an eligible child upon reaching age 18, unless the child is under guardianship or conservatorship, due to disability or incapacity, whereas benefits are then paid to the guardian or conservator.
- States that an EORP member cannot borrow, remove, or take a loan against any account funds until terminated from membership or upon receipt of a pension.
- Allows purchase of transferred service on an installment basis for service credits between municipal retirement systems and special retirement plans. This allowance currently exists for purchase of service credits between other plans.
- Includes EORP as a plan wherein a member can transfer service credits to or from a municipal retirement system or plan. This language currently exists in statute for members of the Public Safety Personnel Retirement System and the Corrections Officer Retirement Plan.

- States group health care and accident coverage provisions do not apply to retirees and survivors who become eligible after the effective date, are reemployed, and participate in a health care plan provided by the new employer.
- Establishes an account for deposit of group health and accident coverage benefits, to allow for EORP health care subsidies to be distributed as a pre-tax benefit.
- Makes technical and conforming changes.