



Georgia State Retirees Association

P.O. Box 108  
Bethlehem, GA 30620

 Forward to a friend

## Action Alert - Dead Peasants Legislation - Part 2

Dear Member,

In our action alert of 3/21/2012 we discussed three bills (HB 293, HB 297, and HB 371) seeking to mitigate the impact of the so-called "Dead Peasants" legislation on public retirement systems. A full discussion of "Dead Peasant Insurance" or "Corporate-Owned Life Insurance" can be found in the GSRA January 2012 newsletter (Vol. 6, Nr. 1), which can be found on [www.mygsra.com](http://www.mygsra.com).

We asked you to urge members of the Senate Rules Committee, as well as your Senator, to pass these bills to the Senate floor and to vote for them when they were brought up. Congratulations! **Based at least partly on your efforts, our highest priority bill, HB 297, was in fact brought to the Senate floor yesterday, was voted on, and passed! This leaves HB 293 and HB 371 still in the Rules Committee.** As a reminder,

- HB 293 requires that dead peasant legislation be considered in the 1st session of any biennial term and that the financial impact of the provisions be actuarially determined.
- HB 371 authorizes the state or political subdivision to purchase insurance on the lives of employees and retirees only when benefits are paid to the member's designated beneficiary.

### Problem:

Although the passage of HB 297 accomplishes a great deal, the other two bills also serve a purpose. They have passed the House of Representatives and have been twice favorably reported by the Senate Retirement Committee, which has chosen not to place them on the Senate Calendar for a vote. Without their safeguards in place, actions such as the 2010 fast-tracking of HB 1380 (which would have authorized use of retirement system funds to pay insurance premiums) without discussion or full disclosure, would continue to be possible -- although less likely had HB 297 not been passed. As pointed out in Senator Bill Heath's article on the GSRA newsletter, "companies have aggressively insured employees . . . sometimes without the employee's knowledge or consent." GSRA believes that pension funds should be "off-limits" to this type of expenditure and that investment policies should reflect the objective of maintaining the trust funds for the benefit of the members.

### Solution:

The solution to the problem is available through passage and signature of HB 293 and HB 371. We implore the Senate Rules Committee and the Senate to pass these bills in the 2012 Legislative Session. .

### Action Needed:

Contact your elected Senators and the members of the Senate Rules Committee immediately and ask them to approve HB 293 and HB 371 in the next 3 legislative days.