

1 HB496
2 158582-1
3 By Representative Patterson
4 RFD: State Government
5 First Read: 18-FEB-14

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8 SYNOPSIS: This bill amends current law regarding
9 employer contributions for judicial retirement for
10 probate judges and places the responsibility for
11 such contributions on the several counties.

12 This bill would allow judges to purchase
13 additional retirement credits in the Judicial
14 Retirement Fund of Alabama if they have the
15 requisite years of creditable service.

16 Amendment 621 of the Constitution of Alabama
17 of 1901, now appearing as Section 111.05 of the
18 Official Recompilation of the Constitution of
19 Alabama of 1901, as amended, prohibits a general
20 law whose purpose or effect would be to require a
21 new or increased expenditure of local funds from
22 becoming effective with regard to a local
23 governmental entity without enactment by a 2/3 vote
24 unless: it comes within one of a number of
25 specified exceptions; it is approved by the
26 affected entity; or the Legislature appropriations
27 funds, or provides a local source of revenue, to

1 the entity for the purpose. The purpose or effect
2 of this bill would be to require a new or increased
3 expenditure of local funds within the meaning of
4 Amendment 621, now appearing as Section 111.05 of
5 the Official Recompilation of the Constitution of
6 Alabama of 1901, as amended.

7 If this bill is not enacted by a two-thirds
8 vote, it will not become effective with regard to a
9 local entity or until, and only as long as, the
10 Legislature appropriates funds or provides for a
11 local source of revenue.

12
13 A BILL
14 TO BE ENTITLED
15 AN ACT
16

17 To amend Sections 12-18-1, 12-18-3, 12-18-82, and
18 12-18-133 of the Code of Alabama 1975, relating to judicial
19 retirement, probate judges' retirement contributions, and
20 purchase of additional credit by judges in the Judicial
21 Retirement Fund of Alabama; to provide that the employer
22 contribution is to be paid by the several counties; to allow
23 judges to purchase additional retirement credits in the
24 Judicial Retirement Fund of Alabama if they have the requisite
25 years of creditable service; and in connection therewith would
26 have as its purpose or effect the requirement of a new or
27 increased expenditure of local funds within the meaning of

1 Amendment 621 of the Constitution of Alabama of 1901, now
2 appearing as Section 111.05 of the Official Recompilation of
3 the Constitution of Alabama of 1901, as amended.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. Sections 12-18-1, 12-18-3, 12-18-82, and
6 12-18-133, Code of Alabama 1975, are hereby amended to read as
7 follows:

8 "§12-18-1.

9 "(a) There is hereby created and established a
10 continuing fund to be known as the Judicial Retirement Fund.

11 "(b) The fund shall be made up from contributions
12 from justices of the Supreme Court, supernumerary justices of
13 the Supreme Court, judges of the Court of Civil Appeals,
14 judges of the Court of Criminal Appeals, judges and
15 supernumerary judges of the circuit courts of the state,
16 district judges and probate judges and from a yearly sum to be
17 paid into such fund from the General Fund in the State
18 Treasury in such amount as shall be sufficient to carry out
19 the provisions of this chapter, except as provided in Section
20 12-18-82.

21 "§12-18-3.

22 "The Legislature from time to time shall appropriate
23 sufficient moneys out of the General Fund of the State
24 Treasury to sufficiently provide for the provisions of this
25 chapter, except as provided in Section 12-18-82. The amount
26 paid from the General Fund into the Judicial Retirement Fund

1 annually shall not be less than the yearly contributions paid
2 by all members.

3 "Should the Legislature fail to appropriate moneys
4 or sufficient moneys for the Judicial Retirement Fund, then
5 the contributions from the state out of the General Fund to be
6 paid into the Judicial Retirement Fund shall be paid out of
7 moneys appropriated to the account designated for salaries of
8 supernumerary justices and judges; provided, however, that
9 such payments shall not adversely affect the amounts paid to
10 any supernumerary justice or judge.

11 "§12-18-82.

12 "(a) Judges on fees. After October 1, 1976, each
13 probate judge compensated by fees who elects to come under the
14 provisions of Article 1 of this chapter or who comes under the
15 provisions of Article 1 of this chapter by operation of law
16 shall contribute to the Judicial Retirement Fund annually,
17 payable in equal monthly installments, four and one-half
18 percent of a sum, hereinafter referred to as the "base sum,"
19 that is, 90 percent of the annual state compensation now
20 authorized by law to be paid to circuit judges in Alabama;
21 provided, that, after February 1, 1977, the rate of
22 contribution to be paid by such judge shall be six percent of
23 his salary derived from the State of Alabama, but such
24 increased rate of contribution shall not be effective until
25 February 1, 1977. For all pay dates beginning on or after
26 October 1, 2011, the contribution to be paid by the judges
27 shall be eight and one-quarter percent (8.25%) of their

1 salary. For all pay dates beginning on or after October 1,
2 2012, the rate of contribution to be paid by the judges shall
3 be eight and one-half percent (8.5%) of their salary. The base
4 sum shall be adjusted up or down in accordance with and equal
5 to future changes that are made in the state compensation of
6 such circuit judges. Such percentage shall be paid by each
7 such probate judge into the Judicial Retirement Fund in the
8 State Treasury and credited to the individual account of the
9 probate judge from whose fees it was paid.

10 "(b) Judges on salary. After October 1, 1976, each
11 probate judge compensated by salary who elects to come under
12 the provisions of Article 1 of this chapter or who comes under
13 the provisions of Article 1 of this chapter by operation of
14 law shall contribute to the Judicial Retirement Fund annually,
15 payable in equal monthly installments, four and one-half
16 percent of his salary; provided, that, after February 1, 1977,
17 the rate of contribution to be paid by such judge shall be six
18 percent of his salary derived from the State of Alabama, but
19 such increased rate of contribution shall not be effective
20 until February 1, 1977. For all pay dates beginning on or
21 after October 1, 2011, the contribution to be paid by the
22 judges shall be eight and one-quarter percent (8.25%) of their
23 salary. For all pay dates beginning on or after October 1,
24 2012, the rate of contribution to be paid by the judges shall
25 be eight and one-half percent (8.5%) of their salary. Such
26 percentage shall be paid into the Judicial Retirement Fund in

1 the State Treasury and credited to the individual account of
2 the probate judge from whose salary it was deducted.

3 "(c) Beginning October 1, 2014, on account of each
4 probate judge there shall be paid monthly by each employer
5 county an amount equal to a certain percentage of the salary
6 of each probate judge to be known as the "normal contribution"
7 and an additional amount equal to a percentage of his or her
8 salary to be known as the "accrued liability contribution,"
9 along with an amount equal to a certain percentage of the
10 salary of each probate judge for the administrative expenses
11 of the Judicial Retirement Fund, and these amounts shall be
12 paid monthly into the Judicial Retirement Fund. The percentage
13 rate of such contributions shall be determined by the actuary
14 for the Judicial Retirement Fund each fiscal year. The
15 contributions for each probate judge shall be reported to the
16 Judicial Retirement Fund in a format prescribed by the
17 Judicial Retirement Fund.

18 "§12-18-133.

19 "Any justice of the Supreme Court, judge of the
20 Court of Civil Appeals, judge of the Court of Criminal
21 Appeals, circuit judge, or district judge who has ~~24 years~~ of
22 at least 120 months of creditable service in the Judicial
23 Retirement Fund of Alabama may elect to purchase credit in the
24 Judicial Retirement Fund of Alabama for up to ~~one~~ 12
25 additional ~~year~~ months. Any justice or judge eligible to
26 purchase ~~such the~~ credit shall be awarded ~~such the~~ credit
27 provided that the justice or judge shall pay into the Judicial

1 Retirement Fund of Alabama a sum of money which is equal to
2 the ~~annual~~ monthly contribution of both the justice or judge
3 and the ~~annual~~ monthly contribution of the state into the fund
4 at the time of election to purchase the credit multiplied by
5 each ~~year~~ month or fraction thereof of service credit ~~claimed~~
6 purchased up to 12 months. The election and payment shall be
7 made to the Secretary-Treasurer of the Employees' Retirement
8 System of Alabama, administrator of the Judicial Retirement
9 Fund. All payments due for the purchases shall be due in full
10 at least 30 days prior to the last work date before
11 retirement."

12 Section 2. Although this bill would have as its
13 purpose or effect the requirement of a new or increased
14 expenditure of local funds, the bill is excluded from further
15 requirements and application under Amendment 621, now
16 appearing as Section 111.05 of the Official Recompilation of
17 the Constitution of Alabama of 1901, as amended, because the
18 bill defines a new crime or amends the definition of an
19 existing crime.

20 Section 3. The act shall become effective on the
21 first day of the third month following its passage and
22 approval by the Governor, or its otherwise becoming law.