

1 SB218
2 205372-1
3 By Senators Waggoner, Marsh and Reed
4 RFD: Finance and Taxation General Fund
5 First Read: 20-FEB-20

SYNOPSIS: Under existing law, there is no provision for retirees and beneficiaries receiving monthly benefits from the Employees' Retirement System (ERS) to receive a funded longevity bonus in addition to their retirement allowances.

This bill would provide a longevity bonus payment to certain retirees and beneficiaries under the Employees' Retirement System.

A BILL
TO BE ENTITLED
AN ACT

To provide for a funded longevity bonus in addition to the retirement benefits of certain retirees and beneficiaries of the Employees' Retirement System.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) There is provided for fiscal year 2021-2022 a funded one-time lump-sum payment, hereinafter referred to as longevity bonus, to each person except those

1 whose employer participated in the Employees' Retirement
2 System pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1,
3 Code of Alabama 1975, whose effective date of retirement for
4 purposes of receiving benefits from the Employees' Retirement
5 System is prior to October 1, 2020, and who is receiving or is
6 entitled to receive a monthly allowance from the Employees'
7 Retirement System on September 30, 2020.

8 (b) The formula for calculating the longevity bonus
9 shall be three dollars (\$3) per month for each year of service
10 attained by the retiree or three hundred dollars (\$300)
11 whichever is greater.

12 (c) Beneficiaries of deceased members or deceased
13 retirees, except where the deceased member or deceased retiree
14 retired from an employer participating in the Employees'
15 Retirement System pursuant to Sections 32-27-6, 36-27-7, and
16 36-27-7.1, Code of Alabama 1975, if the date of death for the
17 deceased member, or the effective date of retirement for the
18 deceased retiree for purposes of receiving benefits from the
19 Employees' Retirement System was prior to October 1, 2020, and
20 if the beneficiary is receiving or is entitled to receive a
21 monthly allowance from the Employees' Retirement System on
22 September 30, 2020, shall receive a bonus payment of three
23 hundred dollars (\$300).

24 (d) For purposes of this act, service includes the
25 service under Section 36-27-1 and Article 9, commencing with
26 Section 36-27-170, Chapter 27, Title 36, Code of Alabama 1975,

1 as well as state police bonus credit or hazardous duty (FLC
2 bonus) credit.

3 Section 2. (a) Each person whose employer
4 participated in the Employees' Retirement System pursuant to
5 Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama
6 1975, whose effective date of retirement for purposes of
7 receiving benefits from the Employees' Retirement System is
8 prior to October 1, 2020, and who is receiving or is entitled
9 to receive a monthly allowance from the Employees' Retirement
10 System on September 30, 2020, shall receive the longevity
11 bonus specified in subsections (a) and (b) of Section 1, if
12 the employer elects to come under this act by official
13 resolution on or before September 1, 2020. Any employer making
14 the election to come under this act shall bear the cost of the
15 longevity bonus paid to its retirees pursuant to this section.

16 (b) If the employer elects to come under this act,
17 beneficiaries of deceased members or deceased retirees retired
18 from an employer participating in the Employees' Retirement
19 System pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1,
20 Code of Alabama 1975, if the date of death for the deceased
21 member or the effective date of retirement for the deceased
22 retiree for purposes of receiving benefits from the Employees'
23 Retirement System was prior to October 1, 2020, and if the
24 beneficiary is receiving or is eligible to receive a monthly
25 allowance from the Employees' Retirement System on September
26 30, 2020, shall receive a longevity bonus payment of three
27 hundred dollars (\$300).

1 Section 3. (a) Any retired pensioner or annuitant
2 who retired from a city, town, county, or public or
3 quasi-public organization of the state before the city, town,
4 county, or public or quasi-public organization of the state
5 became a member of the Employees' Retirement System, and who
6 is receiving or is entitled to receive a monthly allowance
7 from the Employees' Retirement System on September 30, 2020,
8 shall receive the longevity bonus stipulated in subsections
9 (a) and (b) of Section 1, provided the employer elects to come
10 under this act. Any employer making the election to come under
11 this act shall bear the cost of the longevity bonus paid to
12 its retirees pursuant to this section and provide the
13 Employees' Retirement System with the number of years of
14 creditable service earned by each of its eligible annuitants
15 and pensioners.

16 (b) Beneficiaries of Employees' Retirement System
17 pensioners or annuitants described in subsection (a) shall
18 receive a longevity bonus of three hundred dollars (\$300),
19 provided the date of death for the deceased pensioner or
20 annuitant or the effective date of retirement for the deceased
21 pensioner or annuitant was prior to October 1, 2020, and the
22 beneficiary is receiving or is entitled to receive a monthly
23 allowance from the Employees' Retirement System on September
24 30, 2020, and the local unit elects to fund the lump-sum
25 payment of three hundred dollars (\$300) and provides the
26 Employees' Retirement System with the number of years of

1 creditable service earned by each of its eligible annuitants
2 and pensioners.

3 Section 4. Any pensioner or annuitant who retired
4 from a city, town, county, or public or quasi-public
5 organization of the state before the city, town, county, or
6 public or quasi-public organization of the state became a
7 member of the Employees' Retirement System and is receiving a
8 monthly benefit on September 30, 2020, not administered by the
9 Employees' Retirement System may receive the longevity bonus
10 stipulated in subsection (a) and (b) of Section 1, provided
11 the retired employee retired prior to October 1, 2020, and the
12 employer decides to come under this act and fund the longevity
13 bonus. The Employees' Retirement System shall not make
14 payments to these pensioners or annuitants. The employer shall
15 make payments to its pensioners and annuitants under this
16 section.

17 Section 5. The Board of Control of the Employees'
18 Retirement System shall make all reasonable efforts to notify
19 any employer who participated in the Employees' Retirement
20 System and has withdrawn from participation by the effective
21 date of this act that the bonus stipulated in Section 1 is
22 available to their retirees and beneficiaries provided the
23 employer elects the longevity bonus.

24 Section 6. Any person who received benefits under
25 the Medicaid program and whose eligibility for Medicaid
26 benefits would be impaired by the longevity bonus provided by
27 this act shall not be entitled to receive the aforementioned

1 increase. Any person who subsequently applies for benefits
2 under the Medicaid program and that person's eligibility to
3 receive benefits is impaired by the longevity bonus provided
4 by this act shall not be entitled to receive the increase
5 subsequent to the date that the member files application for
6 benefits under the Medicaid program.

7 Section 7. The Board of Control of the Employees'
8 Retirement System shall determine the amount required to pay
9 the cost of the longevity bonus provided under this act and
10 shall notify the chief fiscal officer of each employer of the
11 increases in the employer rate required to be paid to the
12 system. For the fiscal year beginning October 1, 2021, only,
13 each employer shall pay the increase in the employer rate in
14 the same manner and from the same source of funds as salaries
15 of active members are paid.

16 Section 8. The bonus payments provided under this
17 act shall be paid to all eligible recipients by the Employees'
18 Retirement System in December 2020.

19 Section 9. This act shall become effective
20 immediately following its passage and approval by the
21 Governor, or its otherwise becoming law.