

1 SB229
2 209920-2
3 By Senator Marsh
4 RFD: Finance and Taxation Education
5 First Read: 11-FEB-21

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

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

A BILL
TO BE ENTITLED
AN ACT

To provide for a funded longevity bonus 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 June 1, 2021, and who is receiving or is
6 entitled to receive a monthly allowance from the Employees'
7 Retirement System on November 30, 2021.

8 (b) The formula for calculating the longevity bonus
9 shall be two dollars (\$2) 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 36-27-6, 36-27-7, and
16 36-27-7.1, Code of Alabama 1975, if the beneficiary is
17 receiving or is entitled to receive a monthly allowance from
18 the Employees' Retirement System on November 30, 2021, shall
19 receive a bonus payment of three hundred dollars (\$300).

20 (d) For purposes of this act, service includes the
21 service under Section 36-27-1 and Article 9, commencing with
22 Section 36-27-170, of Chapter 27, Title 36, Code of Alabama
23 1975, as well as state police bonus credit or hazardous duty
24 (FLC bonus) credit.

25 Section 2. (a) Each person whose employer
26 participated in the Employees' Retirement System pursuant to
27 Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama

1 1975, whose effective date of retirement for purposes of
2 receiving benefits from the Employees' Retirement System is
3 prior to June 1, 2021, and who is receiving or is entitled to
4 receive a monthly allowance from the Employees' Retirement
5 System on November 30, 2021, shall receive the longevity bonus
6 specified in subsections (a) and (b) of Section 1, if the
7 employer elects to come under this act by official resolution
8 on or before October 31, 2021. Any employer making the
9 election to come under the act shall bear the cost of the
10 longevity bonus paid to its retirees pursuant to this section.

11 (b) If the employer elects to come under this act,
12 beneficiaries of deceased members or deceased retirees retired
13 from an employer participating in the Employees' Retirement
14 System pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1,
15 Code of Alabama 1975, if the beneficiary is receiving or is
16 eligible to receive a monthly allowance from the Employees'
17 Retirement System on November 30, 2021, shall receive a bonus
18 payment of three hundred dollars (\$300).

19 Section 3. (a) Any retired pensioner or annuitant
20 who retired from a city, town, county, or public or
21 quasi-public organization of the state before the city, town,
22 county, or public or quasi-public organization of the state
23 became a member of the Employees' Retirement System, and who
24 is receiving or is entitled to receive a monthly allowance
25 from the Employees' Retirement System on November 30, 2021,
26 shall receive the longevity bonus stipulated in subsections
27 (a) and (b) of Section 1, provided the employer elects to come

1 under this act. Any employer making the election to come under
2 the act shall bear the cost of the longevity bonus paid to its
3 retirees pursuant to this section and provide the Employees'
4 Retirement System with the number of years of creditable
5 service earned by each of its eligible annuitants and
6 pensioners.

7 (b) Beneficiaries of Employees' Retirement System
8 pensioners or annuitants described in subsection (a) shall
9 receive a longevity bonus of three hundred dollars (\$300),
10 provided the date of death for the deceased pensioner or
11 annuitant or the effective date of retirement for the deceased
12 pensioner or annuitant was prior to June 1, 2021, and the
13 beneficiary is receiving or is entitled to receive a monthly
14 allowance from the Employees' Retirement System on November
15 30, 2021, and the local unit elects to fund the longevity
16 bonus of three hundred dollars (\$300) and provides the
17 Employees' Retirement System with the number of years of
18 creditable service earned by each of its eligible annuitants
19 and pensioners.

20 Section 4. Any pensioner or annuitant who retired
21 from a city, town, county, or public or quasi-public
22 organization of the state before the city, town, county, or
23 public or quasi-public organization of the state became a
24 member of the Employees' Retirement System and is receiving a
25 monthly benefit on November 30, 2021, not administered by the
26 Employees' Retirement System may receive the longevity bonus
27 stipulated in subsections (a) and (b) of Section 1, provided

1 the retired employee retired prior to June 1, 2021, and the
2 employer decides to come under this act and fund the longevity
3 bonus. The Employees' Retirement System shall not make
4 payments to these pensioners or annuitants. The employer shall
5 make payments to its pensioners and annuitants under this
6 section.

7 Section 5. Any person who received benefits under
8 the Medicaid program and whose eligibility for Medicaid
9 benefits would be impaired by the longevity bonus provided by
10 this act shall not be entitled to receive the aforementioned
11 increase. Any person who subsequently applies for benefits
12 under the Medicaid program and that person's eligibility to
13 receive benefits is impaired by the longevity bonus provided
14 by this act shall not be entitled to receive the increase
15 subsequent to the date that the member files application for
16 benefits under the Medicaid program.

17 Section 6. The Board of Control of the Employees'
18 Retirement System shall determine the amount required to pay
19 the cost of the longevity bonus provided under this act and
20 shall notify the chief fiscal officer of each employer of that
21 cost. The employer shall either pay the full cost in a lump
22 sum or, for the fiscal year beginning October 1, 2022, only,
23 pay the increase in the employer rate in the same manner and
24 from the same source of funds as salaries of active members
25 are paid.

1 Section 7. The longevity bonuses provided under this
2 act shall be paid to all eligible recipients by the Employees'
3 Retirement System in December 2021.

4 Section 8. This act shall become effective
5 immediately following its passage and approval by the
6 Governor, or its otherwise becoming law.