

1 SB267
2 156449-5
3 By Senator Marsh
4 RFD: Finance and Taxation General Fund
5 First Read: 23-JAN-14

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 To provide for a funded one-time lump-sum addition
12 to the retirement benefits of certain retirees and
13 beneficiaries of the Employees' Retirement System.

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

15 Section 1. (a) There is provided for fiscal year
16 2014-2015 a funded one-time lump-sum payment, hereinafter
17 referred to as "lump-sum payment," to each person except those
18 whose employer participated 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, whose effective date of retirement for
21 purposes of receiving benefits from the Employees' Retirement
22 System is prior to October 1, 2013, and who is receiving or is
23 entitled to receive a monthly allowance from the Employees'
24 Retirement System on September 30, 2014.

25 (b) The formula for calculating the lump-sum payment
26 shall be two dollars (\$2) per month for each year of service
27 attained by the retiree or \$300.00 whichever is greater.

1 (c) Beneficiaries of deceased members or deceased
2 retirees, except where the deceased member or deceased retiree
3 retired from an employer participating in the Employees'
4 Retirement System pursuant to Sections 32-27-6, 36-27-7, and
5 36-27-7.1, Code of Alabama 1975, if the date of death for the
6 deceased member, or the effective date of retirement for the
7 deceased retiree for purposes of receiving benefits from the
8 Employees' Retirement System was prior to October 1, 2013, and
9 if the beneficiary is receiving or is entitled to receive a
10 monthly allowance from the Employees' Retirement System on
11 September 30, 2014, shall receive a lump-sum payment of
12 \$300.00.

13 (d) For purposes of this act, service includes the
14 service under Section 36-27-1 and Section 36-27-170 et seq.,
15 Code of Alabama 1975, as well as state police bonus credit or
16 hazardous duty (FLC bonus) credit.

17 Section 2. (a) Each person whose employer
18 participated in the Employees' Retirement System pursuant to
19 Section 36-27-6, Code of Alabama 1975, whose effective date of
20 retirement for purposes of receiving benefits from the
21 Employees' Retirement System is prior to October 1, 2013, and
22 who is receiving or is entitled to receive a monthly allowance
23 from the Employees' Retirement System on September 30, 2014,
24 shall receive the lump-sum payment specified in Section 1 (a)
25 and (b), if the employer elects to come under this act by
26 official resolution on or before August 31, 2014. Any employer
27 making the election to come under the act shall bear the cost

1 of the lump-sum payment paid to its retirees pursuant to this
2 section.

3 (b) If the employer elects to come under this act,
4 beneficiaries of deceased members or deceased retirees retired
5 from an employer participating in the Employees' Retirement
6 System pursuant to Section 36-27-6, Code of Alabama 1975, if
7 the date of death for the deceased member or the effective
8 date of retirement for the deceased retiree for purposes of
9 receiving benefits from the Employees' Retirement System was
10 prior to October 1, 2013 and if the beneficiary is receiving
11 or is eligible to receive a monthly allowance from the
12 Employees' Retirement System on September 30, 2014, shall
13 receive a lump-sum payment of \$300.00

14 Section 3. (a) Each person whose employer
15 participated in the Employees' Retirement System pursuant to
16 Sections 36-27-7 and 36-27-7.1, Code of Alabama 1975, whose
17 effective date of retirement for purposes of receiving
18 benefits from the Employees' Retirement System is prior to
19 October 1, 2013, and who is receiving or is entitled to
20 receive a monthly allowance from the Employees' Retirement
21 System on September 30, 2014, shall receive the lump-sum
22 payment stipulated in Section 1 (a) and (b). Any employer
23 making the election to come under the act shall bear the cost
24 of the lump-sum payment paid to its retirees pursuant to this
25 section.

26 (b) If the employer elects to come under this act,
27 beneficiaries of deceased members or deceased retirees of

1 employers participating in the Employees' Retirement System
2 pursuant to Sections 36-27-7 and 36-27-7.1, Code of Alabama
3 1975, shall receive a lump-sum payment of \$300.00.

4 Section 4. (a) Any retired pensioner or annuitant
5 who retired from a city, town, county, or public or
6 quasi-public organization of the state before the city, town,
7 county, or public or quasi-public organization of the state
8 became a member of the Employees' Retirement System, and who
9 is receiving or is entitled to receive a monthly allowance
10 from the Employees' Retirement System on September 30, 2014
11 shall receive the lump-sum payment stipulated in Section 1 (a)
12 and (b), provided the employer elects to come under the
13 provisions of this act. Any employer making the election to
14 come under the act shall bear the cost of the lump-sum payment
15 paid to its retirees pursuant to this section and provide the
16 Employees' Retirement System with the number of years of
17 creditable service earned by each of its eligible annuitants
18 and pensioners.

19 (b) Beneficiaries of Employees' Retirement System
20 pensioners or annuitants described in subsection (a) shall
21 receive a lump-sum payment of \$300.00, provided the date of
22 death for the deceased pensioner or annuitant or the effective
23 date of retirement for the deceased pensioner or annuitant was
24 prior to October 1, 2013 and the beneficiary is receiving or
25 is entitled to receive a monthly allowance from the Employees'
26 Retirement System on September 30, 2014 and the local unit
27 elects to fund the lump-sum payment of \$300.00 and provides

1 the Employees' Retirement System with the number of years of
2 creditable service earned by each of its eligible annuitants
3 and pensioners.

4 Section 5. Any pensioner or annuitant who retired
5 from a city, town, county, or public or quasi-public
6 organization of the state before the city, town, county, or
7 public or quasi-public organization of the state became a
8 member of the Employees' Retirement System and is receiving a
9 monthly benefit on September 30, 2014, not administered by the
10 Employees' Retirement System may receive the lump-sum payment
11 stipulated in Section 1 (a) and (b), provided the retired
12 employee retired prior to October 1, 2013, and the employer
13 decides to come under the provisions of this act and fund the
14 lump-sum payment. The Employees' Retirement System shall not
15 make payments to these pensioners or annuitants. The employer
16 shall make payments to its pensioners and annuitants under
17 this section.

18 Section 6. The Board of Control of the Employees'
19 Retirement System shall make all reasonable efforts to notify
20 any employer who participated in the Employees' Retirement
21 System and has withdrawn from participation by the effective
22 date of this act that the lump-sum stipulated in Section 1 is
23 available to their retirees and beneficiaries provided the
24 employer elects the lump-sum payment.

25 Section 7. Any person who received benefits under
26 the Medicaid program and whose eligibility for Medicaid
27 benefits would be impaired by the lump-sum payment provided by

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

8 Section 8. The Board of Control of the Employees'
9 Retirement System shall determine the amount required to pay
10 the cost of the lump-sum payments provided under this act and
11 shall notify the chief fiscal officer of each employer of the
12 increases in the employer rate required to be paid to the
13 system. For the fiscal year beginning October 1, 2015 only,
14 each employer shall pay the increase in the employer rate in
15 the same manner and from the same source of funds as salaries
16 of active members are paid.

17 Section 9. The lump-sum payments provided under this
18 act shall be paid to all eligible recipients by the Employees'
19 Retirement System in October 2014.

20 Section 10. This act shall become effective
21 immediately following its passage and approval by the
22 Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate
committee on Finance and Taxation General Fund ... 23-JAN-14

Read for the second time and placed on the calen-
dar with 1 substitute and 2 amendments 06-FEB-14

Read for the third time and passed as amended 04-MAR-14

Yeas 31
Nays 2
Abstaining 1

Patrick Harris
Secretary