- 1 SB283
- 2 174072-1
- 3 By Senators Whatley, Scofield, Shelnutt, Stutts, Hightower,
- Waggoner, Marsh, Sanford, Albritton, Pittman, McClendon,
- Williams, Melson and Livingston
- 6 RFD: Finance and Taxation Education
- 7 First Read: 23-FEB-16

1	174072-1 <b>:</b> n	:02/15/2016:KMS/th LRS2016-656
2		
3		
4		
5		
6		
7		
8	SYNOPSIS:	This bill would prohibit officers and
9		employees of the Alabama Education Association,
10		Alabama High School Athletic Association, Alabama
11		Association of School Boards, Alabama Council for
12		School Administration and Supervision, Alabama
13		Vocational Association, Alabama Congress of Parents
14		and Teachers, Alabama Opportunities
15		Industrialization Center, Developing Alabama Youth
16		Foundation, Tennessee Valley Rehabilitation Center,
17		Inc., American Federation of Teachers, School
18		Superintendents of Alabama, Alabama Higher
19		Education Partnership, Inc., Alabama State
20		Employees' Association, Alabama Retired State
21		Employees' Association, State Employees' Credit
22		Union, and certain community action agencies, hired
23		on or after January 1, 2017, and any elected local
24		superintendent of education elected to office on or
25		after January 1, 2017, from participating in the
26		Teachers' Retirement System and the Public
27		Education Employees' Health Insurance Plan.

1 2 A BILL TO BE ENTITLED 3 4 AN ACT 5 To amend Sections 16-25-1, 16-25-10.1, 16-25-10.2, 6 7 16-25-10.3, 16-25-10.4, 16-25-10.5, 16-25-10.6, 16-25-10.7, 16-25-10.8, 16-25-10.9, 16-25-10.10, 16-25-10.11, 16-25-10.12, 8 16-25-32, 16-25A-11, and 36-29-14, Code of Alabama 1975, 9 10 relating to the Teachers' Retirement System and the Public 11 Education Employees' Health Insurance Plan, to prohibit any 12 officer or employee of the Alabama Education Association, Alabama High School Athletic Association, Alabama Association 13 of School Boards, Alabama Council for School Administration 14 and Supervision, Alabama Vocational Association, Alabama 15 16 Congress of Parents and Teachers, Alabama Opportunities 17 Industrialization Center, Developing Alabama Youth Foundation, 18 Tennessee Valley Rehabilitation Center, Inc., American 19 Federation of Teachers, School Superintendents of Alabama, 20 Alabama Higher Education Partnership, Inc., Alabama State 21 Employees' Association, Alabama Retired State Employees' 22 Association, State Employees' Credit Union, and certain community action agencies, hired on or after January 1, 2017, 23 24 and any elected local superintendent of education elected to 25 office on or after January 1, 2017, from participating in the

27 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

system and the plan.

Section 1. Sections 16-25-1, 16-25-10.1, 16-25-10.2, 16-25-10.3, 16-25-10.4, 16-25-10.5, 16-25-10.6, 16-25-10.7, 16-25-10.8, 16-25-10.9, 16-25-10.10, 16-25-10.11, 16-25-10.12, 16-25-32, 16-25A-11, and 36-29-14 of the Code of Alabama 1975, are amended to read as follows:

"\$16-25-1.

"For the purposes of this chapter the following terms, unless a different meaning is plainly required by the context, shall have the following respective meanings:

- "(1) RETIREMENT SYSTEM. The Teachers' Retirement System of Alabama as defined in Section 16-25-2.
- "(2) PUBLIC SCHOOL. Any day school conducted within the state under the authority and supervision of a duly elected or appointed county or city board of education and any educational institution supported by and under the control of the state or any private nondenominational school operated nonprofit for the education of children of school age residing within a district where no public school is available for the children.
- "(3) TEACHER. Any teacher, principal, superintendent, supervisor, college professor, administrative officer, or clerk employed in any public school or public college within the state or employed in any private nondenominational school operated nonprofit for the education of children of school age residing within a district where no public school is available for the children or any similar employee or officer of the Department of Education or of the

Alabama Education Association, or any attendance worker 50 percent or more of whose salary is paid from public school funds or any employee receiving a regular stated compensation from the retirement system. In all cases of doubt, the Board of Control shall determine whether any person is a teacher as defined in this chapter. An employee or officer of the Alabama Education Association who is serving in that position before January 1, 2017, is considered a teacher for purposes of this chapter. An employee or officer of the Alabama Education Association who begins serving in that position on or after January 1, 2017, is not a teacher for purposes of this chapter.

- "(4) SUPPORT PERSONNEL or EMPLOYEE. Any maid, custodian, adult bus driver, lunchroom or cafeteria worker, secretary, clerk, clerical assistant, maintenance worker, or other non-certificated employee who works an average of 20 hours weekly.
- "(5) EMPLOYER. The State of Alabama, the county school board, the city school board, the State Board of Education, or any governing body of any private nondenominational school operated nonprofit for education of children of school age residing within a district where no public school is available for the children or any other agency of and within the state by which a teacher is paid.
- "(6) MEMBER. Any teacher included in the membership of the system as provided in Section 16-25-3.

- "(7) BOARD OF CONTROL. The board provided for in Section 16-25-19 to administer the retirement system.
- 3 "(8) MEDICAL BOARD. The board of physicians provided 4 for in Section 16-25-19.
- 5 "(9) TRUSTEES. The members of the Board of Control to administer the trust funds.
  - "(10) SERVICE. Service as a teacher.

7

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

- 8 "(11) PRIOR SERVICE. Service rendered prior to the 9 date of establishment of the retirement system for which 10 credit is allowable under Section 16-25-11.
  - "(12) MEMBERSHIP SERVICE. Service as a teacher rendered while a member of the retirement system and on account of which contributions are made.
  - "(13) CREDITABLE SERVICE. "Prior service" plus
    "membership service" rendered since last becoming a member.
    - "(14) BENEFICIARY. Any person in receipt of a pension, an annuity, a retirement allowance, or other benefit as provided by this chapter.
    - "(15) REGULAR INTEREST. Interest compounded annually at the rate determined by the Board of Control in accordance with subsection (b) of Section 16-25-20.
    - "(16) ACCUMULATED CONTRIBUTIONS. The sum of all the amounts deducted from the compensation of a member and credited to his or her individual account in the annuity savings fund together with regular interest thereon as provided in Section 16-25-21.

"(17) EARNABLE COMPENSATION. The full rate of the compensation that would be payable to a teacher if he or she worked the full normal working time. In cases where compensation includes maintenance, the Board of Control shall fix the value of that part of the compensation not paid in money. Earnable compensation shall not exceed the limitations imposed by Section 401(a)(17) of the Internal Revenue Code for public pension funds except that any employee who was a member of the Teachers' Retirement System before the first plan year beginning after December 31, 1995, shall not be subject to the earning limitations set forth in Section 401(a)(17). For Tier I plan members, the term earnable compensation for retirement purposes shall include overtime payments that are made to a member; however, earnable compensation shall not exceed 120 percent of any member's annual base compensation as certified by the employer. For Tier II plan members, earnable compensation shall include overtime payments that are made to the member but shall not include subsistence payments that are made to the member and shall not exceed one hundred twenty-five percent (125%) of the member's annual base compensation, as certified by the employer.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

"(18) AVERAGE FINAL COMPENSATION. For any Tier I
Plan member, the average annual compensation of a teacher,
with respect to which he or she has made contributions
pursuant to paragraph b. of subdivision (1) of Section
16-25-21 during the three years in his or her last 10 years of
creditable service for which the average is highest or during

his or her entire period of creditable service if less than 1 2 three years; except, that for any period prior to October 1, 3 1959, the compensation used in computing the average shall include compensation in excess of the maximum amount with 4 5 respect to which members were required to contribute. For any Tier II Plan member, the average annual compensation of the 6 7 member, with respect to which he or she has made contributions pursuant to paragraph b. of subdivision (1) of Section 8 16-25-21 during the five years in his or her last ten years of 9 10 creditable service for which the average is highest or during 11 his or her entire period of creditable service if less than 12 five years.

"(19) ANNUITY. Payments for life derived from the "accumulated contributions" of a member. All annuities shall be payable in equal monthly installments.

13

14

15

16

17

18

19

20

21

22

23

24

25

- "(20) PENSION. Payments for life derived from money provided by the employer. All pensions shall be payable in equal monthly installments.
- "(21) RETIREMENT ALLOWANCE. The sum of the "annuity" and the "pension."
- "(22) RETIREMENT. Withdrawal from active service with a retirement allowance or optional benefit in lieu thereof granted under this chapter.
- "(23) ANNUITY RESERVE. The present value of all payments to be made on account of any annuity or benefit in lieu of any annuity, computed upon the basis of the mortality

tables as shall be adopted by the Board of Control, and
regular interest.

- "(24) PENSION RESERVE. The present value of all payments to be made on account of any pension or benefit in lieu of any pension, computed upon the basis of the mortality tables as shall be adopted by the Board of Control, and regular interest.
  - "(25) ACTUARIAL EQUIVALENT. A benefit of equal value, when computed upon the basis of the mortality tables as shall be adopted by the Board of Control, and regular interest.
  - "(26) NORMAL CONTRIBUTION. The contributions of the state necessary to provide a pension equal to the annuity which the member's contribution made prior to age 65 with interest will provide at age of retirement not to exceed 65.
  - "(27) TIER I PLAN. The defined benefit pension plan provided by the Retirement System to Tier I plan members.
  - "(28) TIER II PLAN. The defined benefit pension plan provided by the Retirement System to Tier II plan members.
  - "(29) TIER I PLAN MEMBER. Any member of the Retirement System who had service for which he or she received credit in the Teachers' Retirement System or in the Employees' Retirement System prior to January 1, 2013.
  - "(30) TIER II PLAN MEMBER. Any member of the Retirement System who first began eligible employment with a Teachers' Retirement System or an Employees' Retirement System participating employer on or after January 1, 2013, and who

had no eligible service in the Teachers' Retirement System or the Employees' Retirement System prior to January 1, 2013.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

"(a) All persons now employed on a full-time basis in an administrative or clerical capacity by the Alabama High School Athletic Association, may become members of the Teachers' Retirement System of Alabama within 90 days after October 1, 1967, subject to such rules and regulations as may be promulgated by the Board of Control of the Teachers' Retirement System of Alabama. Any person hereafter employed in an administrative or clerical capacity by the Alabama High School Athletic Association shall be deemed to be a "teacher" as defined in Section 16-25-1 and shall be entitled to the benefits thereof. Notwithstanding the provisions of this section and other sections of the Teachers' Retirement System law, it is provided that the The Alabama High School Athletic Association shall pay to the retirement system the employer cost for coverage of its employees who began participating in the Teachers' Retirement System before January 1, 2017, such cost to be determined by an actuary employed by the Board of Control and under rules and regulations established by said the board.

"(b) Any person now employed by the Alabama High

School Athletic Association and participating in the Teachers'

Retirement System pursuant to as set out in subsection (a) of this section shall be entitled to may receive credit for all service as a "teacher" or as an employee of the Alabama High

School Athletic Association rendered by him or her prior to 1 2 October 1, 1967; provided, that a sum equal to the total contributions which he or she would have made as a member 3 during the period of such employment plus regular interest at four percent is paid within 90 days after October 1, 1967.

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

"(c) No employee of the Alabama High School Athletic Association hired on or after January 1, 2017, may participate in the Teachers' Retirement System based upon that employment. "\$16-25-10.1.

"(a) The Before January 1, 2017, the governing body of the Alabama Association of School Boards may, by resolution legally adopted to conform to the rules prescribed by the Board of Control of the Teachers' Retirement System, may elect to have its executive officers and employees, from whatever source and in whatever manner paid, become eligible to participate in the Teachers' Retirement System of Alabama, subject to all rules, regulations  $\underline{L}$  and conditions thereof.

"(b) The governing body of the Alabama Association of School Boards having made an election through a resolution as provided in subsection (a) of this section, its employees and executive officers employed before January 1, 2017, may participate in and be entitled to all benefits of the Teachers' Retirement System of Alabama; provided, that where member contributions are made from salaries paid by the Alabama Association of School Boards, the Alabama Association of School Boards shall pay the employer costs calculated as a percentage of the salaries of those employees to be

contributed as employer in accordance with subdivisions (3) and (5) of Section 16-25-21. Such The amounts shall be paid monthly and at the same time as the member contributions are made to the Teachers' Retirement System.

1

2

3

4

5

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

"(c) The governing body of the Alabama Association of School Boards may provide in its resolution to the Teachers' Retirement System's Board of Control that all service rendered by an eliqible employee or executive officer to said the association previous to the effective date of said the association's election to come under the Teachers' Retirement System shall be creditable service to such the employee or executive officer; provided, that any such provision shall apply only to those employees and officers who were in the active service of the association on the effective date of said the association's election to be covered under the Teachers' Retirement System; provided further, that the said resolution shall also state that the Alabama Association of School Boards shall assume and pay, as required, all costs necessary to fund the crediting of such the previous service, such with costs to be determined by the actuary employed by the Teachers' Retirement System's Board of Control.

"(d) No executive officer or employee of the Alabama

Association of School Boards hired on or after January 1,

2017, may participate in the Teachers' Retirement System based upon that employment.

"\$16-25-10.2.

"(a) The Before January 1, 2017, the governing body of the Alabama Council for School Administration and Supervision may, by resolution legally adopted to conform to the rules prescribed by the Board of Control of the Teachers' Retirement System, may elect to have its executive officers and employees, from whatever source and in whatever manner paid, become eligible to participate in the Teachers' Retirement System of Alabama, subject to all rules, regulations, and conditions thereof.

"(b) The governing body of the Alabama Council for School Administration and Supervision having made an election through a resolution as provided in subsection (a) of this section, its employees and executive officers employed before January 1, 2017, may participate in and be entitled to all benefits of the Teachers' Retirement System of Alabama; provided, that where contributions are made from salaries paid by the Alabama Council for School Administration and Supervision, the Council for School Administration and Supervision shall pay the employer costs, calculated as a percentage of the salaries of those employees, to be contributed as employer in accordance with Section 16-25-21. Such The amounts shall be paid monthly and at the same time as the members' contributions are made to the Teachers' Retirement System.

"(c) (1) The governing body of the Alabama Council for School Administration and Supervision may provide in its resolution to the Teachers' Retirement System's Board of

Control that all service rendered, by an eligible employee or executive officer, to said the council, previous to the effective date of said the council's election to come under the Teachers' Retirement System, shall be creditable service to such the employee or executive officer; provided, that any such provision shall apply only to those employees and officers who were in the active service of the council on the effective date of said the council's election to be covered under the Teachers' Retirement System; and provided further, that the said resolution also states that the Alabama Council for School Administration and Supervision shall assume and pay, as required, all costs necessary to fund the crediting of such previous service, such the costs to be determined by the actuary employed by the Teachers' Retirement System's Board of Control.

"(2) All benefits that accrue and are payable to any beneficiary hereunder shall be limited to and shall not exceed the amount paid in by the beneficiary and the employer plus his <u>or her</u> portion of the interest earned and the enhancement of his <u>or her</u> moneys by investing them, less the cost of administration, at no cost to the State of Alabama.

"(d) No executive officer or employee of the Alabama

Council for School Administration and Supervision hired on or

after January 1, 2017, may participate in the Teachers'

Retirement System based upon that employment.

"\$16-25-10.3.

"(a) The Before January 1, 2017, the governing body of the Alabama Vocational Association may, by resolution legally adopted to conform to the rules prescribed by the Board of Control of the Teachers' Retirement System, may elect to have its executive officers and employees, from whatever source and in whatever manner paid, become eligible to participate in the Teachers' Retirement System of Alabama, subject to all rules, regulations, and conditions thereof.

"(b) The governing body of the Alabama Vocational Association having made an election through a resolution as provided in subsection (a) of this section, its employees and executive officers employed before January 1, 2017, may participate in and be entitled to all benefits of the Teachers' Retirement System of Alabama, provided that where contributions are made from salaries paid by the Alabama Vocational Association, the Alabama Vocational Association shall pay the employer costs, calculated as a percentage of the salaries of those employees, to be contributed as employer in accordance with Section 16-25-21. Such The amounts shall be paid monthly and at the same time as the members' contributions are made to the Teachers' Retirement System.

"(c) The governing body of the Alabama Vocational Association may provide in its resolution to the Teachers' Retirement System's Board of Control that all service rendered, by an eligible employee or executive officer, to said the association, previous to the effective date of said the association's election to come under the Teachers'

Retirement System, shall be creditable service to such the employee or executive officer; provided that any such provision shall apply only to those employees and officers who were in the active service of the association on the effective date of said the association's election to be covered under the Teachers' Retirement System; and provided further that the said resolution also states that the Alabama Vocational Association shall assume and pay, as required, all costs necessary to fund the crediting of such previous service, such the costs to be determined by the actuary employed by the Teachers' Retirement System's Board of Control.

"(d) No executive officer or employee of the Alabama

Vocational Association hired on or after January 1, 2017, may

participate in the Teachers' Retirement System based upon that

employment.

"\$16-25-10.4.

- "(a) The Before January 1, 2017, the governing board of the Alabama Congress of Parents and Teachers may, by resolution legally adopted to conform to the rules prescribed by the Board of Control of the Teachers' Retirement System, may elect to have its executive officers and employees, from whatever source and in whatever manner paid, become eligible to participate in the Teachers' Retirement System of Alabama, subject to all rules, regulations, and conditions thereof.
- "(b) The governing body of the Alabama Congress of Parents and Teachers, having made an election through a resolution as provided in subsection (a), its employees and

executive officers employed before January 1, 2017, may participate in and be entitled to all benefits of the Teachers' Retirement System of Alabama, provided that where contributions are made from salaries paid by the Alabama Congress of Parents and Teachers, the association shall pay the employer costs calculated as a percentage of the salaries of those employees, to be contributed as employer costs in accordance with subdivisions (3) and (5) of Section 16-25-21.

Such The amounts shall be paid monthly and at the same time as the members' contributions are made to the Teachers' Retirement System.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

"(c) The governing body of the Alabama Congress of Parents and Teachers may provide in its resolution to the Teachers' Retirement System's Board of Control that all service rendered, by an eligible employee or executive officer, to said the association, previous to the effective date of said the association's election to come under the Teachers' Retirement System, shall be creditable service to such the employee or executive officer; provided that any such provision shall apply only to those employees and officers who were in the active service of the association on the effective date of said the association's election to be covered under the Teachers' Retirement System; and provided further that the said resolution also states that the Alabama Congress of Parents and Teachers, shall assume and pay, as required, all costs necessary to fund the crediting of such previous service, such the costs to be determined by the actuary

employed by the Teachers' Retirement System's Board of Control.

"(d) No executive officer or employee of the Alabama

Congress of Parents and Teachers hired on or after January 1,

2017, may participate in the Teachers' Retirement System based

upon that employment.

"\$16-25-10.5.

- "(a) The Before January 1, 2017, the governing board of the Alabama Opportunities Industrialization Center may, by resolution legally adopted to conform to the rules prescribed by the Board of Control of the Teachers' Retirement System, may elect to have its executive officers and employees, from whatever source and in whatever manner paid, become eligible to participate in the Teachers' Retirement System of Alabama, subject to all rules, regulations, and conditions thereof.
- "(b) The governing body of the Alabama Opportunities Industrialization Center, having made an election through a resolution as provided in subsection (a), its employees and executive officers employed before January 1, 2017, may participate in and be entitled to all benefits of the Teachers' Retirement System of Alabama, provided that where contributions are made from salaries paid by the Alabama Opportunities Industrialization Center, the center shall pay the employer costs calculated as a percentage of the salaries of those employees, to be contributed as employer costs in accordance with subdivisions (3) and (5) of Section 16-25-21.

the members' contributions are made to the Teachers'
Retirement System.

3

4

5

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

"(c) The governing body of the Alabama Opportunities Industrialization Center may provide in its resolution to the Teachers' Retirement System's Board of Control that all service rendered, by an eligible employee or executive officer, to said the center, previous to the effective date of said the center's election to come under the Teachers' Retirement System, shall be creditable service to such the employee or executive officer; provided that any such provision shall apply only to those employees and officers who were in the active service of the center on the effective date of said the association's election to be covered under the Teachers' Retirement System; and provided further that the said resolution also states that the Alabama Opportunities Industrialization Center, shall assume and pay, as required, all costs necessary to fund the crediting of such previous service, such the costs to be determined by the actuary employed by the Teachers' Retirement System's Board of Control.

"(d) No executive officer or employee of the Alabama

Opportunities Industrialization Center hired on or after

January 1, 2017, may participate in the Teachers' Retirement

System based upon that employment.

"\$16-25-10.6.

"<a>(a)</a> Any person now serving as an elected superintendent of education in this state <a>before January 1</a>,

2017, may become a member of the Teachers' Retirement System 1 2 of Alabama within 90 days after the ratification of an amendment to the Constitution of Alabama 1901 allowing elected 3 superintendents of education to participate in the Teachers' Retirement System, subject to such rules and regulations as may be promulgated by the Board of Control of said the system. 7 Any person hereafter elected to serve as superintendent of education before January 1, 2017, shall be deemed to be a "teacher" as defined in Section 16-25-1 and shall be entitled 10 to the benefits thereof. The employer cost for coverage of such elected superintendents shall be paid as for other school 11 12 employees. Provided further, that such elected superintendents 13 shall be entitled to purchase prior service credit as a teacher or superintendent in such the system under such rules, regulations, and provisions of law that govern the purchase of such prior service credit, from time to time, by teachers. 16

> "(b) No person elected to serve as a local superintendent of education in this state on or after January 1, 2017, may participate in the Teachers' Retirement System based upon that elected position.

> > "\$16-25-10.7.

4

5

6

8

9

14

15

17

18

19

20

21

22

23

24

25

26

27

"(a) Any Before January 1, 2017, any governing body of any community action agency organized pursuant to Sections 11-80-4.1, 11-96-3, or 11-96-6,  $\frac{1}{1}$  by resolution legally adopted to conform to the rules prescribed by the Board of Control of the Teachers' Retirement System, may elect to have its executive officers and employees from whatever source and in whatever manner paid become eligible to participate in the Teachers' Retirement System of Alabama subject to all rules, regulations, and conditions thereof.

"(b) The governing body of any community action agency eligible under subsection (a) of this section and having made an election by resolution as provided therein, its employees and executive officers employed before January 1, 2017, may participate in and be entitled to all benefits of the Teachers' Retirement System of Alabama, provided that where contributions are made from salaries paid by a community action agency the agency shall pay the employer cost calculated as a percentage of the salaries of those employees to be contributed as employer cost in accordance with subdivisions (3) and (5) of Section 16-25-21. Such The amounts shall be paid monthly and at the same time as the member's contributions are made to the Teachers' Retirement System.

"(c) The governing body of a community action agency eligible under subsection (a) of this section may provide in its resolution to the Teachers' Retirement System's Board of Control that all service rendered by an eligible employee or executive officer to said the agency previous to the effective date of said the agency's election to come under the Teachers' Retirement System shall be creditable service to such the employee or executive officer, provided that any such provision shall apply only to those employees and officers who were in the active service of the agency on the effective date of said the agency's election to be covered under the

Teachers' Retirement System, and provided further that the said resolution also states that the agency shall assume and pay as required all costs necessary to fund the crediting of such previous service, such the costs to be determined by the actuary employed by the Teachers' Retirement System's Board of Control.

"(d) No executive officer or employee of a community action agency hired on or after January 1, 2017, may participate in the Teachers' Retirement System based upon that employment.

"\$16-25-10.8.

- "(a) The Before January 1, 2017, the governing body of the Developing Alabama Youth Foundation may, by resolution legally adopted to conform to the rules prescribed by the Board of Control of the Teachers' Retirement System, may elect to have its executive officers and full-time employees, from whatever source and in whatever manner paid, become eligible to participate in the Teachers' Retirement System of Alabama, subject to all rules, regulations, and conditions thereof.
- "(b) The governing body of the Developing Alabama Youth Foundation, having made an election through a resolution as provided in subsection (a), its employees and executive officers employed before January 1, 2017, may participate in and be entitled to all benefits of the Teachers' Retirement System of Alabama; provided, that where contributions are made from salaries paid by the Developing Alabama Youth Foundation, the Developing Alabama Youth Foundation shall pay the employer

cost, calculated as a percentage of the salaries of those employees, to be contributed as employer contributions in accordance with Section 16-25-21. Such The amount shall be paid monthly and at the same time as the members' contributions are made to the Teachers' Retirement System.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

"(c) The governing body of the Developing Alabama Youth Foundation may provide in its resolution to the Teachers' Retirement System's Board of Control that all service rendered by an eligible employee or executive officer to said the foundation, previous to the effective date of said the foundation's election to come under the Teachers' Retirement System, shall be creditable service to such the employee or executive officer; provided, that any such provision shall apply only to those employees and officers who were in the active service of the foundation on the effective date of said the foundation's election to be covered under the Teachers' Retirement System; and provided further, that the said resolution also states that the Developing Alabama Youth Foundation shall assume and pay, as required, all costs necessary to fund the crediting of such previous service, such the costs to be determined by the actuary employed by the Teachers' Retirement System Board of Control. All benefits that accrue and are payable to any beneficiary hereunder shall be limited to, and shall not exceed, the amount paid in by the beneficiary and the employer plus his or her portion of the interest earned and the enhancement of his or her moneys by

investing them, less cost of administration, at no cost to the State of Alabama.

"(d) No executive officer or employee of the

Developing Alabama Youth Foundation hired on or after January

1, 2017, may participate in the Teachers' Retirement System

based upon that employment.

"\$16-25-10.9.

- "(a) This section shall apply only to the employees and executive staff members of the Tennessee Valley Rehabilitation Center, Inc., who were active and contributing members of the Teachers' Retirement System on August 1, 1994, through John C. Calhoun Community College.
- "(b) The Before January 1, 2017, the Board of Directors of the Tennessee Valley Rehabilitation Center, Inc., may, by resolution legally adopted to conform to the rules prescribed by the Board of Control of the Teachers' Retirement System, may elect to have the full-time employees and executive staff members as defined in subsection (a), from whatever source and in whatever manner paid, become eligible to participate in the Teachers' Retirement System, subject to all rules, regulations, and conditions of the system.
- "(c) When an election is made to join the Teachers' Retirement System pursuant to subsection (b), the full-time employees and executive staff members of the Tennessee Valley Rehabilitation Center, Inc., as defined in subsection (a) and employed before January 1, 2017, may participate in and be entitled to all benefits of the Teachers' Retirement System,

provided that where contributions are made from salaries paid to the employees and staff members by the Tennessee Valley Rehabilitation Center, Inc., the employer costs as a percentage of the aforementioned salaries are contributed by the center as the employer to the Teachers' Retirement System in accordance with Section 16-25-21. The employer contributions shall be paid monthly to the system at the same time as the contributions of the members are made to the system.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

"(d) The resolution for membership in the Teachers' Retirement System adopted pursuant to subsection (b) may also include a provision for all service rendered by an eligible employee or executive staff member from September 1, 1994, to the effective date of the election of the Tennessee Valley Rehabilitation Center, Inc., to participate in the system to be creditable service for the full-time employee or executive staff member in the system. Such a provision shall apply only to the full-time employees and executive staff members of the center who are in the active service of the center on the effective date of the election of the group to be covered under the system, and the resolution shall also state that the center, as the employer, shall assume and pay all costs required to fund the credit for the prior service in the amount for the costs as determined by the actuary employed by the board of control of the system.

"(e) No employee or executive staff member of the Tennessee Valley Rehabilitation Center, Inc., hired on or

after January 1, 2017, may participate in the Teachers'
Retirement System based upon that employment.

"\$16-25-10.10.

- "(a) The Before January 1, 2017, the governing body of any local union or state organization of the American Federation of Teachers may, by resolution legally adopted to conform to the rules prescribed by the Board of Control of the Teachers' Retirement System, may elect to have its officers and employees, from whatever source and in whatever manner paid, become eligible to participate in the Teachers' Retirement System subject to all rules, regulations, and conditions thereof.
- "(b) The governing body of any local union or state organization of the American Federation of Teachers eligible under subsection (a) to participate in the system, and having made an election by resolution to participate, may have its employees and officers employed before January 1, 2017, participate in, and be entitled to, all benefits of the Teachers' Retirement System, provided that where contributions are made from salaries paid by a local union or state organization of the American Federation of Teachers, the local union or state organization shall pay the employer cost in accordance with Section 16-25-21, at the same time as the member's contributions are paid to the Teachers' Retirement System.
- "(c) The governing body of any local union or state organization of the American Federation of Teachers eligible

under subsection (a) to participate in the system, may provide in its resolution to the Board of Control of the Teachers' Retirement System that all service rendered by an eligible employee or officer to the local union or state organization of the American Federation of Teachers prior to the effective date of the election of the local union or state organization to come under the Teachers' Retirement System shall be creditable service to the employee or officer, provided that such a provision in the resolution shall apply only to the local union or state organization of the American Federation of Teachers on the effective date of the election of the local union or state organization to be covered under the Teachers' Retirement System. The resolution also shall state that the local union or state organization of the American Federation of Teachers shall assume, and pay as required, all costs necessary to fund the crediting of the prior service, with the costs to be determined by the actuary employed by the Board of Control of the Teachers' Retirement System.

- "(d) The provisions of this section may not apply to any person who is not a teacher.
- "(e) No officer or employee of a local union or state organization of the American Federation of Teachers hired on or after January 1, 2017, may participate in the Teachers' Retirement System based upon that employment.

25 "\$16-25-10.11.

1

2

3

4

5

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

26

27

"(a) The Before January 1, 2017, the governing body of the School Superintendents of Alabama, by resolution

legally adopted to conform to the rules prescribed by the

Board of Control of the Teachers' Retirement System, may elect

to have its executive officers and employees, from whatever

source and in whatever manner paid, continue eligibility to

participate in the Teachers' Retirement System of Alabama,

subject to all rules, regulations, and conditions thereof.

"(b) The governing body of the School
Superintendents of Alabama having made an election through a resolution as provided in subsection (a), its employees and executive officers employed before January 1, 2017, may continue to participate in and be entitled to all benefits of the Teachers' Retirement System of Alabama. Where contributions are made from salaries paid by the School Superintendents of Alabama, the School Superintendents of Alabama shall pay the employer costs, calculated as a percentage of the salaries of those employees, to be contributed as employer in accordance with Section 16-25-21.

Such The amounts shall be paid monthly and at the same time as the members' contributions are made to the Teachers' Retirement System.

"(c) All benefits that accrue and are payable to any beneficiary under this section shall be limited to and shall not exceed the amount paid in by the beneficiary and the employer plus his or her portion of the interest earned and the enhancement of his or her moneys by investing them, less the cost of administration, at no cost to the State of Alabama.

"(d) All executive officers and employees of the School Superintendents of Alabama now covered in the Teachers' Retirement System of Alabama under Section 16-25-10.2, pursuant to affiliation with the Alabama Council for School Administration or its successor organization, the Council for Leaders in Alabama Schools, may continue to be enrolled in the Teachers' Retirement System of Alabama by their employer, the School Superintendents of Alabama, with all credits as have been established in the Teachers' Retirement System of Alabama.

"(e) No executive officer or employee of the School Superintendents of Alabama hired on or after January 1, 2017, may participate in the Teachers' Retirement System based upon that employment.

"\$16-25-10.12.

- "(a) The Before January 1, 2017, the governing body of the Alabama Higher Education Partnership, Inc., by resolution legally adopted to conform to the rules prescribed by the Board of Control of the Teachers' Retirement System, may elect to have its officers and employees, from whatever source and in whatever manner paid, become eligible to participate in the Teachers' Retirement System subject to all rules, regulations, and conditions thereof.
- "(b) The governing body of the Alabama Higher Education Partnership, Inc., having made an election by resolution pursuant to subsection (a), may have its employees and officers employed before January 1, 2017, participate in,

and be entitled to, all benefits of the Teachers' Retirement System. Where contributions are made from salaries paid by the Alabama Higher Education Partnership, Inc., the Alabama Higher Education Partnership, Inc., shall pay the employer cost, calculated as a percentage of the salaries of those employees, to be contributed as employer contributions in accordance with Section 16-25-21. Such The amount shall be paid monthly and at the same time as the member's contributions are paid to the Teachers' Retirement System.

1

2

3

4

5

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

"(c) The governing body of the Alabama Higher Education Partnership, Inc., eligible under subsection (a) to participate in the system, may provide in its resolution to the Board of Control of the Teachers' Retirement System that all service rendered by an eligible employee or officer to the organization before the effective date of the election of the organization to come under the Teachers' Retirement System shall be creditable service to the employee or officer. Such a provision in the resolution shall apply only to those employees and officers who were in the active service of the organization on the effective date of the election of the organization to be covered under the Teachers' Retirement System. The resolution shall also state that the organization shall assume and pay, as required, all costs necessary to fund the crediting of such the prior service, with the costs to be determined by the actuary employed by the Board of Control of the Teachers' Retirement System.

"(d) No officer or employee of the Alabama Higher

Education Partnership, Inc., hired on or after January 1,

2017, may participate in the Teachers' Retirement System based

upon that employment.

"\$16-25-32.

"(a) The Before January 1, 2017, the governing body of the Alabama State Employees' Association, the Alabama Retired State Employees' Association, and the State Employees' Credit Union may, by resolution legally adopted to conform to the rules prescribed by the Board of Control of the Teachers' Retirement System, may elect to have its executive officers and full-time employees, from whatever source and in whatever manner paid, become eligible to participate in the Teachers' Retirement System of Alabama, subject to all rules, regulations, and conditions thereof.

"(b) The governing body of the Alabama State
Employees' Association, the Alabama Retired State Employees'
Association, and the State Employees' Credit Union having made
an election through a resolution as provided in subsection (a)
hereof, their employees and executive officers employed before

January 1, 2017, may participate in and be entitled to all
benefits of the Teachers' Retirement System of Alabama,
provided that where contributions are made from salaries paid
by the Alabama State Employees' Association, the Alabama
Retired State Employees' Association, and the State Employees'
Credit Union the entities shall pay the employer costs as a
percentage of the salaries of those employees, to be

contributed as employer in accordance with Section 16-25-21.

Such The amounts shall be paid monthly and at the same time as the members' contributions are made to the Teachers'

Retirement System.

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

"(c) The governing body of the Alabama State Employees' Association, the Alabama Retired State Employees' Association, or the State Employees' Credit Union may provide in its resolution to the Teachers' Retirement System Board of Control that all service rendered by an eligible employee or executive officer previous to the effective date of said the group's election to come under the Teachers' Retirement System, shall be creditable service to  $\frac{1}{2}$  the employee or executive officer; provided, that any such provision shall apply only to those employees and officers who were in the active service of the group on the effective date of said the group's election to be covered under the Teachers' Retirement System; and provided further, that the said resolution also states that the Alabama State Employees' Association, the Alabama Retired State Employees' Association, and the State Employees' Credit Union shall assume and pay, as required, all costs necessary to fund the crediting of such previous service, such the costs to be determined by the actuary employed by the Teachers' Retirement System Board of Control.

"(d) No executive officer or employee of the Alabama

State Employees' Association, the Alabama Retired State

Employees' Association, or the State Employees' Credit Union

hired on or after January 1, 2017, may participate in the Teachers' Retirement System based upon that employment.

"\$16-25A-11.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

"(a) Any board, agency, organization, or association which participates in the Teachers' Retirement System of Alabama, but whose employees are not included in the definition of employee in Section 16-25A-1  $\frac{may}{}$ , by resolution legally adopted to conform to rules prescribed by the board and upon a majority vote of its employees, may elect to have its employees and under certain conditions its retired employees covered by the provisions of this article, provided such board, agency, organization, or association shall contract to pay the full cost of coverage for each such employee in the amounts set forth by the board and as defined in Section 16-25A-1 for a full-time employee; participation, once elected, is irrevocable. Each retired employee shall be given the option to participate under the provisions of subsection (c) of Section 16-25A-8(c) provided any employer electing to have its employees covered by this section, shall contribute on account of each of its retired employees an amount equal to any amount appropriated by the state to fund benefits for retired employees. The board shall develop rules and regulations governing the operation of this section which shall contain but not be limited to entry and withdrawal from the plan.

"(b) Subsection (a) to the contrary notwithstanding, the members of the following entities may not elect to have

1	employees hired on or after January 1, 2017, or retired
2	employees who were not employed before January 1, 2017,
3	participate in the Public Employees Health Insurance Plan
4	pursuant to this chapter:
5	"(1) The Alabama Education Association.
6	"(2) The Alabama High School Athletic Association.
7	"(3) The Alabama Association of School Boards.
8	"(4) The Alabama Council for School Administration
9	and Supervision.
10	"(5) The Alabama Vocational Association.
11	"(6) The Alabama Congress of Parents and Teachers.
12	"(7) The Alabama Opportunities Industrialization
13	<u>Center.</u>
14	"(8) The Developing Alabama Youth Foundation.
15	"(9) The Tennessee Valley Rehabilitation Center,
16	<pre>Inc.</pre>
17	"(10) The American Federation of Teachers.
18	"(11) The School Superintendents of Alabama.
19	"(12) The Alabama Higher Education Partnership, Inc.
20	"(13) The Alabama State Employees' Association.
21	"(14) Any community action agency organized pursuant
22	to Section 11-80-4.1, 11-96-3, or 11-96-6.
23	<b>"</b> §36-29-14.
24	"(a) Any agency of the state, or any governmental
25	entity, body, or subdivision thereto, any county, any
26	municipality, any municipal foundation, any fire or water
27	district, authority, or cooperative, any regional planning and

development commission established pursuant to Sections 1 2 11-85-50 through to 11-85-73, inclusive, that is not and was not for the 12 months immediately preceding the date of 3 4 application to participate in any plan created pursuant to the 5 provisions of this article a member of an existing government sponsored health insurance program, formed under the 6 7 provisions of Section 11-26-2, the Association of County Commissions of Alabama or the Alabama League of 8 Municipalities, the Alabama Retired State Employees' 9 10 Association, the Alabama State Employees Credit Union, Easter 11 Seals Alabama, Alabama State University, the Alabama Rural 12 Water Association, Rainbow Omega, Incorporated, The Arc of 13 Alabama, Incorporated, and any of the affiliated local chapters of The Arc of Alabama, Incorporated, United Ways of 14 15 Alabama and its member United Ways, the Alabama Network of 16 Children's Advocacy Centers and its member Children's Advocacy Centers, any railroad authority organized pursuant to Chapter 17 18 13, Title 37, or any solid waste disposal authority organized 19 pursuant to Chapter 89A, Title 11, by resolution legally 20 adopted to conform to rules prescribed by the State Employees' 21 Insurance Board, may elect to have its officers, members, 22 employees, and retired employees become eligible for health insurance coverage under the State Employees' Insurance Board 23 24 without any liability to the state or the State Employees' 25 Health Insurance Plan.

"(b) Acceptance of the employees identified in subsection (a) shall be optional with the State Employees' Insurance Board.

- "(c) Employees, officers, members, and retirees who are eligible for health insurance pursuant to this section shall be entitled to coverage and benefits as designated by the State Employees' Insurance Board.
- "(d) Any portion of the cost of the insurance coverage as determined by the State Employees' Insurance Board for the employees, officers, members, and retirees and their dependents pursuant to this section may be paid by the employer.
- "(e) The chief fiscal officer of each employer shall remit to the State Employees' Insurance Board the amount of premiums required for employee and dependent coverage under this section. The employer shall furnish the necessary information to the State Employees' Insurance Board.
- "(f) The agreement of any employer to have its employees, officers, members, and retirees to be covered under the health insurance plan provided by the State Employees' Insurance Board may be revoked only by complying with the following provisions:

"The employer, by resolution of the governing body, shall signify its intention and desire to withdraw from such plan in writing and by delivering a copy of such resolution by certified mail to the State Employees' Insurance Board no later than six months prior to the effective date of

withdrawal. Any employer that withdraws from participation in such plan shall be responsible for paying its claims incurred prior to the date of withdrawal, but not reported and paid prior to the date of withdrawal. The withdrawing employer shall also be liable for interest which will accrue at a rate of one and one-half percent per month on any monies due to the State Employees' Insurance Board which are over 30 days past due. Any organization which provides or administers health insurance benefits through the Local Government Health Insurance Program shall not provide or administer health insurance benefits to any entity which withdraws from the Local Government Health Insurance Program for a period of two years from the effective date of withdrawal.

- "(g) The State Employees' Insurance Board shall promulgate such rules and regulations as may be necessary for the effective administration of the provisions of this section.
- "(h) In addition, the State Employees' Insurance
  Board shall engage such actuarial and other special services
  as shall be required to transact the business of the board.
  The compensation of all persons engaged by the board, with the
  exception of clerical employees who shall be employed under
  the Merit System Act, and all other expenses of the board
  necessary for the operation of the board shall be paid at such
  rates and in such amounts as the board shall approve.
- "(i) Subsection (a) to the contrary notwithstanding, the officers, members, and employees of the Alabama Retired

1	State Employees' Association and the Alabama State Employees'
2	Credit Union may not elect to have employees hired on or after
3	January 1, 2017, or retired employees who were not employed
4	before January 1, 2017, participate in the Public Employees
5	Health Insurance Plan pursuant to this article."
6	Section 2. This act shall become effective on the
7	first day of the third month following its passage and
8	approval by the Governor, or its otherwise becoming law.