

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

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8 SYNOPSIS: Under existing law, there is no provision
9 for retirees and beneficiaries receiving monthly
10 benefits from the Employees' Retirement System
11 (ERS) to receive a funded one-time lump-sum
12 addition to their retirement allowances.

13 This bill would provide such a payment to
14 certain retirees and beneficiaries under the ERS.

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16 A BILL
17 TO BE ENTITLED
18 AN ACT

19
20 To provide for a funded one-time lump-sum addition
21 to the retirement benefits of certain retirees and
22 beneficiaries of the Employees' Retirement System.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. (a) There is provided for fiscal year
25 2014-2015 a funded one-time lump-sum payment, hereinafter
26 referred to as "lump-sum payment," to each person except those
27 whose employer participated in the Employees' Retirement

1 System pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1,
2 Code of Alabama 1975, whose effective date of retirement for
3 purposes of receiving benefits from the Employees' Retirement
4 System is prior to October 1, 2013, and who is receiving or is
5 entitled to receive a monthly allowance from the Employees'
6 Retirement System on September 30, 2014.

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

10 (c) Beneficiaries of deceased members or deceased
11 retirees, except where the deceased member or deceased retiree
12 retired from an employer participating in the Employees'
13 Retirement System pursuant to Sections 32-27-6, 36-27-7, and
14 36-27-7.1, Code of Alabama 1975, if the date of death for the
15 deceased member, or the effective date of retirement for the
16 deceased retiree for purposes of receiving benefits from the
17 Employees' Retirement System was prior to October 1, 2013, and
18 if the beneficiary is receiving or is entitled to receive a
19 monthly allowance from the Employees' Retirement System on
20 September 30, 2014, shall receive a lump-sum payment of
21 \$300.00.

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

26 Section 2. (a) Each person whose employer
27 participated in the Employees' Retirement System pursuant to

1 Section 36-27-6, Code of Alabama 1975, whose effective date of
2 retirement for purposes of receiving benefits from the
3 Employees' Retirement System is prior to October 1, 2013, and
4 who is receiving or is entitled to receive a monthly allowance
5 from the Employees' Retirement System on October 1, 2013,
6 shall receive the lump-sum payment specified in Section 1 (a)
7 and (b), if the employer elects to come under this act. Any
8 employer making the election to come under the act shall bear
9 the cost of the lump-sum payment paid to its retirees pursuant
10 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 Section 36-27-6, Code of Alabama 1975,
15 shall receive a lump-sum payment of \$300.00 provided that the
16 beneficiary is receiving or is eligible to receive a monthly
17 allowance from the Employees' Retirement System on September
18 30, 2014.

19 Section 3. (a) Each person whose employer
20 participated in the Employees' Retirement System pursuant to
21 Sections 36-27-7 and 36-27-7.1, Code of Alabama 1975, whose
22 effective date of retirement for purposes of receiving
23 benefits from the Employees' Retirement System is prior to
24 October 1, 2013, and who is receiving or is entitled to
25 receive a monthly allowance from the Employees' Retirement
26 System on September 30, 2014, shall receive the lump-sum
27 payment stipulated in Section 1 (a) and (b). Any employer

1 making the election to come under the act shall bear the cost
2 of the lump-sum payment paid to its retirees pursuant to this
3 section.

4 (b) If the employer elects to come under this act,
5 beneficiaries of deceased members or deceased retirees of
6 employers participating in the Employees' Retirement System
7 pursuant to Sections 36-27-7 and 36-27-7.1, Code of Alabama
8 1975, shall receive a lump-sum payment of \$300.00.

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

24 (b) Beneficiaries of Employees' Retirement System
25 pensioners or annuitants described in subsection (a) shall
26 receive a lump-sum payment of \$300.00, provided the date of
27 death for the deceased pensioner or annuitant or the effective

1 date of retirement for the deceased pensioner or annuitant was
2 prior to October 1, 2013 and the beneficiary is receiving or
3 is entitled to receive a monthly allowance from the Employees'
4 Retirement System on September 30, 2014 and the local unit
5 elects to fund the lump-sum payment of \$300.00 and provides
6 the Employees' Retirement System with the number of years of
7 creditable service earned by each of its eligible annuitants
8 and pensioners.

9 Section 5. Any pensioner or annuitant who retired
10 from a city, town, county, or public or quasi-public
11 organization of the state before the city, town, county, or
12 public or quasi-public organization of the state became a
13 member of the Employees' Retirement System and is receiving a
14 monthly benefit on September 30, 2014, not administered by the
15 Employees' Retirement System may receive the lump-sum payment
16 stipulated in Section 1 (a) and (b), provided the retired
17 employee retired prior to October 1, 2013, and the employer
18 decides to come under the provisions of this act and fund the
19 lump-sum payment and provides the Employees' Retirement System
20 with the number of years of creditable service earned by each
21 of its eligible annuitants and pensioners.

22 Section 6. The Board of Control of the Employees'
23 Retirement System shall make all reasonable efforts to notify
24 any employer who participated in the Employees' Retirement
25 System and has withdrawn from participation by the effective
26 date of this act that the lump-sum stipulated in Section 1 is

1 available to their retirees and beneficiaries provided the
2 employer elects the lump-sum payment.

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

13 Section 8. The Board of Control of the Employees'
14 Retirement System shall determine the amount required to pay
15 the cost of the lump-sum payments provided under this act and
16 shall notify the chief fiscal officer of each employer of the
17 increases in the employer rate required to be paid to the
18 system. For the fiscal year beginning October 1, 2014 only,
19 each employer shall pay the increase in the employer rate in
20 the same manner and from the same source of funds as salaries
21 of active members are paid.

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

25 Section 10. This act shall become effective
26 immediately following its passage and approval by the
27 Governor, or its otherwise becoming law.

