

1 SB311
2 174307-1
3 By Senator Beasley
4 RFD: Finance and Taxation Education
5 First Read: 01-MAR-16

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8 SYNOPSIS: This bill would provide for a supplemental
9 four percent cost-of-living increase for retirees
10 under the Teachers' Retirement System beginning
11 October 1, 2016.

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13 A BILL
14 TO BE ENTITLED
15 AN ACT

16
17 Relating to public education retirees; to provide
18 for a four percent cost-of-living adjustment for retirees of
19 the Teachers' Retirement System beginning October 1, 2016.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

21 Section 1. (a) Commencing October 1, 2016, there is
22 provided an increase in benefits to each person currently
23 receiving benefits whose effective date of retirement was
24 prior to October 1, 2015, for purposes of receiving benefits,
25 and to certain beneficiaries of deceased members and deceased
26 retirees currently receiving survivor benefits, if the
27 effective date of retirement or death for the deceased retiree

1 or deceased member was prior to October 1, 2015, for purposes
2 of receiving benefits from the Teachers' Retirement System, a
3 cost-of-living adjustment of four percent of the current gross
4 benefit.

5 (b) Any future survivor allowance shall be adjusted
6 as provided in the member's original option selection for
7 those eligible retirees who have selected a monthly survivor
8 allowance payable to a designated beneficiary upon the death
9 of the retiree or as otherwise provided by law in the case of
10 a qualifying member who dies prior to the effective date of
11 this act.

12 (c) Any person who receives benefits under the
13 Medicaid program and whose eligibility for the benefits would
14 be impaired by the cost-of-living increase provided by this
15 act shall not be entitled to receive the increase. Any person
16 who shall subsequently apply for benefits under the Medicaid
17 program and who would have his or her eligibility to receive
18 benefits impaired by the cost-of-living increase provided by
19 this act shall not be entitled to receive the increase after
20 the date that the member files application for benefits under
21 the Medicaid program.

22 (d) There is hereby appropriated from the Education
23 Trust Fund the sum of \$41,000,000 for the fiscal year
24 beginning October 1, 2016 to assist in offsetting the cost of
25 the cost-of-living adjustment herein. The appropriation is to
26 be allocated as determined by the Director of Finance and
27 distributed to all state agencies and institutions within the

1 Teachers' Retirement System to pay part of the additional cost
2 of retirement due to the retiree cost-of-living increase. Upon
3 certification by the Director of Finance, the State
4 Comptroller shall issue payments to said entities and
5 universities.

6 (e) For the fiscal year beginning October 1, 2017
7 and thereafter, the Board of Control of the Teachers'
8 Retirement System shall determine annually the amount required
9 to pay the cost of the increased allowance provided under this
10 act and shall notify the chief financial officer of each
11 employer of the per centum rates of earnable compensation of
12 the members required to be paid to the retirement system. Each
13 employer of members of the Teachers' Retirement System shall
14 pay on account of the increases provided in this act in the
15 same manner and from the same sources of funds as provided in
16 Section 16-25-21, Code of Alabama 1975, it being the intent of
17 the Legislature that the cost of providing the increase in
18 this act shall be distributed from all funds in proportion to
19 the salaries paid therefrom for active members.

20 Section 2. This act shall become effective
21 immediately following its passage and approval by the
22 Governor, or its otherwise becoming law.