

1 SB72
2 196696-3
3 By Senators Orr, Albritton and Allen
4 RFD: Finance and Taxation General Fund
5 First Read: 05-MAR-19

1 SB72

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4 ENROLLED, An Act,

5 To add Section 36-26-48 to the Code of Alabama 1975,
6 relating to state employees; to authorize lump sum merit
7 reward payments for certain full-time state employees who have
8 reached the maximum of their assigned pay ranges under certain
9 conditions; to provide for the amount of the payments; and to
10 provide for exemptions.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. Section 36-26-48 is added to the Code of
13 Alabama 1975, to read as follows:

14 §36-26-48.

15 (a) Commencing on the first October 1 immediately
16 following the effective date of this act, and based on the
17 availability of funds, an appointing authority may provide a
18 lump sum merit reward payment, in an amount of up to two and
19 one-half percent of the annual base salary of a qualified
20 employee on his or her anniversary date if, on October 1 of
21 the fiscal year in which the merit reward payment is to be
22 paid, all of the following conditions have existed for the
23 previous two consecutive fiscal years:

24 (1) The employee has earned the maximum rate of pay
25 allowed in his or her pay range.

1 (2) The employee has met or exceeded standards on
2 his or her annual performance appraisal.

3 (3) A cost-of-living increase has not been provided
4 to state employees.

5 (b) At the beginning of each fiscal year, an
6 appointing authority shall determine what percentage amount
7 shall be used for calculating the total amount of lump sum
8 merit reward payments to be paid to all qualified agency
9 employees for that fiscal year. If the appointing authority
10 determines that agency funds are insufficient to provide lump
11 sum merit reward payments to all qualified agency employees
12 for any fiscal year, no lump sum merit reward payments may be
13 provided to any qualified employee of the agency for the
14 duration of that fiscal year.

15 (c) An employee may not receive a lump sum merit
16 reward payment pursuant to this section every year. An agency
17 may not adjust the anniversary date of an employee to provide
18 a lump sum merit reward payment to the employee on an earlier
19 date. A lump sum merit reward payment issued pursuant to this
20 section may not increase the salary of an employee for
21 retirement purposes.

22 (d) For the purposes of this section, a qualified
23 agency employee does not include any of the following:

1 (1) An employee, including an hourly employee, whose
2 service or rate of pay is covered by any labor agreement or
3 contract.

4 (2) Any retired person performing duties in
5 accordance with Section 36-27-8.2.

6 (3) Any employee who does not receive an annual
7 performance appraisal or service rating.

8 (4) Any appointing authority or employee who is
9 considered the head of an agency.

10 (5) Any deputy appointing authority or employee who
11 is considered the deputy head of an agency.

12 (6) Any unclassified employee or exempt employee.

13 (e) An employee who has received an increase in his
14 or her pay, bonus pay, or incentive pay during the previous
15 two years may not receive a lump sum merit reward payment
16 under this section.

17 (f) Any law to the contrary notwithstanding, any
18 branch of state government may provide lump sum merit reward
19 payments to qualified employees pursuant to this section if
20 the government entity regularly assigns employees to
21 standardized pay ranges and administers annual performance
22 appraisals. The award of lump sum merit reward payments to
23 employees pursuant to this subsection shall be subject to the
24 approval of the applicable appointing authority.

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

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB72
 Senate 02-MAY-19
 I hereby certify that the within Act originated in and passed
 the Senate, as amended.

Patrick Harris,
 Secretary.

House of Representatives
 Passed: 23-MAY-19

By: Senator Orr