

1 SB227
2 115276-1
3 By Senator Waggoner
4 RFD: Finance and Taxation Education
5 First Read: 14-JAN-10

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8 SYNOPSIS: Under existing law, an active, vested, and
9 contributing member of the Teachers' Retirement
10 System (TRS) is not allowed to purchase credit in
11 the system for service rendered when the member was
12 employed by UAB Highlands.

13 This bill would reopen TRS for one year to
14 allow an active, vested, and contributing member to
15 purchase credit in the system for certain prior
16 service rendered when the member was employed by
17 UAB Highlands.

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19 A BILL
20 TO BE ENTITLED
21 AN ACT

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23 Reopening the Teachers' Retirement System to permit
24 purchase of credit in the system for certain prior service
25 rendered when the member was employed by UAB Highlands.

26 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1 Section 1. (a) Any active, vested, and contributing
2 member of the Teachers' Retirement System may claim and
3 purchase service credit in the system for prior service
4 rendered when the member was employed by UAB Highlands. The
5 certification of prior service claimed under this section
6 shall conform to applicable administrative rules and
7 procedures of the Teachers' Retirement System. Members shall
8 receive credit, not to exceed five years, for the prior
9 service when they remit to the system the contributions
10 required by subsection (b). No member shall receive credit for
11 any service that the member is already credited with in the
12 system or any other public retirement plan, with the exception
13 of the federal Social Security program.

14 (b) Any member who is eligible to purchase service
15 credit pursuant to subsection (a) shall pay to the
16 Secretary-Treasurer of the system, within one year from the
17 effective date of this act, for the claimed service, the full
18 actuarially determined cost for each year of claimed service
19 as determined by the system's actuary.

20 Section 2. Any year of service purchased under the
21 provisions of this act shall not be considered in determining
22 the out-of-pocket premium amount charged to retirees under the
23 provisions of Section 16-25A-8.1 or Section 36-29-19.7, Code
24 of Alabama 1975. Also, any service purchased under this act
25 shall not entitle a member to be eligible for benefits under
26 either the Public Education Employees' Health Insurance Plan
27 or the State Employees' Health Insurance Plan any earlier than

1 the member could have reached eligibility under the plan
2 without the service purchased under the provisions of this
3 act.

4 Section 3. This act shall become effective on
5 October 1, 2010, following its passage and approval by the
6 Governor, or its otherwise becoming law.