

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

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4 ENGROSSED

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7 A BILL  
8 TO BE ENTITLED  
9 AN ACT

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11 To add Section 36-26-48 to the Code of Alabama 1975,  
12 relating to state employees; to authorize lump sum merit  
13 reward payments for certain full-time state employees who have  
14 reached the maximum of their assigned pay ranges under certain  
15 conditions; to provide for the amount of the payments; and to  
16 provide for exemptions.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

20 §36-26-48.

21 (a) Commencing on the first October 1 immediately  
22 following the effective date of this act, and based on the  
23 availability of funds, an appointing authority may provide a  
24 lump sum merit reward payment, in an amount of up to two and  
25 one-half percent of the annual base salary of a qualified  
26 employee on his or her anniversary date if, on October 1 of  
27 the fiscal year in which the merit reward payment is to be

1 paid, all of the following conditions have existed for the  
2 previous two consecutive fiscal years:

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

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

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

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

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

26 (d) For the purposes of this section, a qualified  
27 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.

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

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Senate

Read for the first time and referred to  
the Senate committee on Finance and Taxation Gen-  
eral Fund ..... 05-MAR-19

Read for the second time and placed on  
the calendar 1 amendment..... 03-APR-19

Read for the third time and passed as  
amended ..... 02-MAY-19

Yeas 32  
Nays 0

Patrick Harris,  
Secretary.