

1 SB180
2 197878-1
3 By Senator Smitherman
4 RFD: Finance and Taxation Education
5 First Read: 02-APR-19

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8 SYNOPSIS: This bill would provide for a cost-of-living
9 increase of three percent for certain retirees and
10 certain beneficiaries of deceased retirees under
11 the Teachers' Retirement System.

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13 A BILL
14 TO BE ENTITLED
15 AN ACT

16
17 Relating to certain retirees and certain
18 beneficiaries of deceased retirees under the Teachers'
19 Retirement System; to provide for a cost-of-living increase of
20 three percent.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. (a) For the fiscal year beginning October
23 1, 2019, each person whose effective date of retirement for
24 the purposes of receiving benefits from the Teachers'
25 Retirement System is prior to October 1, 2018, and each
26 beneficiary of a deceased retiree who is currently receiving
27 survivor benefits, if the effective date of retirement for the

1 deceased retiree for the purposes of receiving benefits from
2 the Teachers' Retirement System is prior to October 1, 2018,
3 is provided a cost-of-living increase of three percent of the
4 current gross 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 for by law in the case
10 of a qualifying member who dies prior to the effective date of
11 this act.

12 (c) (1) 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 for by
15 this act is not entitled to receive the increase.

16 (2) Any person who subsequently applies for benefits
17 under the Medicaid program and who would have his or her
18 eligibility to receive benefits impaired by the cost-of-living
19 increase provided for by this act is not entitled to receive
20 the increase after the date that the member files application
21 for benefits under the Medicaid program.

22 (d) (1) For the fiscal year beginning October 1,
23 2020, and thereafter, the Board of Control of the Teachers'
24 Retirement System shall determine annually the amount required
25 to pay the expense of the cost-of-living increase provided for
26 by this act and shall notify the chief financial officer of

1 each employer of the per centum rates of earnable compensation
2 of the members required to be paid to the retirement system.

3 (2) Each employer of a member of the Teachers'
4 Retirement System shall pay on account of the increase
5 provided for by this act in the same manner and from the same
6 sources of funds as provided in Section 16-25-21, Code of
7 Alabama 1975, it being the intent of the Legislature that the
8 cost-of-living increase provided for by this act shall be
9 distributed from all funds in proportion to the salaries paid
10 therefrom for active members.

11 Section 2. It is not the intent of this act to make
12 appropriations, but the amount required to offset a portion of
13 the cost-of-living payments provided under this act shall be
14 made in the annual Education Trust Fund budget act for the
15 2020 fiscal year.

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