

1 SB265  
2 205982-1  
3 By Senator Singleton  
4 RFD: Finance and Taxation Education  
5 First Read: 05-MAR-20

SYNOPSIS: Under existing law, there is no provision for retirees and beneficiaries receiving monthly benefits from the Teachers' Retirement System to receive a funded lump-sum payment in addition to their retirement allowances.

This bill would provide a funded one-time lump-sum payment to certain retirees and beneficiaries under the Teachers' Retirement System.

A BILL  
TO BE ENTITLED  
AN ACT

To provide for a funded one-time lump-sum payment in addition to the retirement benefits of certain retirees and beneficiaries of the Teachers' Retirement System.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) There is provided for fiscal year 2020-2021 a funded one-time lump-sum payment, hereinafter

1 referred to as lump-sum payment, to each person whose  
2 effective date of retirement for purposes of receiving  
3 benefits from the Teachers' Retirement System is prior to  
4 August 31, 2020, and who is receiving or is entitled to  
5 receive a monthly allowance from the Teachers' Retirement  
6 System by October 31, 2020.

7 (b) The formula for calculating the lump-sum payment  
8 shall be three dollars (\$3) per month for each year of service  
9 attained by the retiree.

10 (c) Beneficiaries of deceased members or deceased  
11 retirees, if the effective date of retirement for the deceased  
12 retiree for purposes of receiving benefits from the Teachers'  
13 Retirement System was prior to August 31, 2020, and if the  
14 beneficiary is receiving or is entitled to receive a monthly  
15 allowance from the Teachers' Retirement System by October 31,  
16 2020, shall receive a lump-sum payment.

17 (d) There is provided for fiscal year 2020-2021 a  
18 funded one-time lump-sum payment to each person identified in  
19 subsection (e), whose effective date of retirement for  
20 purposes of receiving benefits from the Teachers' Retirement  
21 System is prior to August 31, 2020, and who is receiving or is  
22 entitled to receive a monthly allowance from the Teachers'  
23 Retirement System by October 31, 2020.

24 (e) For purposes of this section, service includes  
25 the service under Section 16-25-1 and Article 9, commencing  
26 with Section 16-25-150, Chapter 25, Title 16, Code of Alabama  
27 1975.

1           (f) Any person who received benefits under the  
2 Medicaid program and whose eligibility for Medicaid benefits  
3 would be impaired by the lump-sum payment provided by this  
4 section shall not be entitled to receive the aforementioned  
5 increase. Any person who subsequently applies for benefits  
6 under the Medicaid program and that person's eligibility to  
7 receive benefits is impaired by the lump-sum payment provided  
8 by this section shall not be entitled to receive the increase  
9 subsequent to the date that the member files application for  
10 benefits under the Medicaid program.

11           (g) The lump-sum payments provided under this  
12 section shall be paid to all eligible recipients by the  
13 Teachers' Retirement System by October 31, 2020.

14           Section 2. It is not the intent of this act to make  
15 appropriations, but the amount required to pay the cost of the  
16 lump-sum payments provided by this act shall be made in the  
17 annual Education Trust Fund budget act for the 2021 fiscal  
18 year.

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