

1 SB172
2 209539-2
3 By Senators Singleton, Coleman-Madison, Figures, Williams and
4 Price
5 RFD: Finance and Taxation Education
6 First Read: 03-FEB-21

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 longevity bonus 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 2021-2022 a funded one-time lump-sum payment, hereinafter referred to as lump-sum payment, to each individual whose

1 effective date of retirement for purposes of receiving
2 benefits from the Teachers' Retirement System is prior to
3 April 30, 2021, and who is receiving or is entitled to receive
4 a monthly allowance from the Teachers' Retirement System by
5 June 30, 2021. Each retiree shall have a minimum of 10 years
6 of service to be eligible to receive the lump-sum payment.

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. The minimum lump-sum payment shall be
10 no less than three hundred sixty dollars (\$360) for an
11 eligible retiree with a minimum of 10 years of service.

12 (c) Beneficiaries of deceased members or deceased
13 retirees, if the date of death for the deceased member, or the
14 effective date of retirement for the deceased retiree for
15 purposes of receiving benefits from the Teachers' Retirement
16 System was prior to April 30, 2021, and if the beneficiary is
17 receiving or is entitled to receive a monthly allowance from
18 the Teachers' Retirement System by June 30, 2021, shall
19 receive a lump-sum payment of three hundred dollars (\$300).

20 (d) There is provided for fiscal year 2021-2022 a
21 funded one-time lump-sum payment to each individual identified
22 in subsection (f), whose effective date of retirement for
23 purposes of receiving benefits from the Teachers' Retirement
24 System is prior to April 30, 2021, and who is receiving or is
25 entitled to receive a monthly allowance from the Teachers'
26 Retirement System by June 30, 2021.

1 (e) For purposes of this section, service includes
2 the service under Section 16-25-1 and Article 9, commencing
3 with Section 16-25-150, Chapter 25, Title 16, Code of Alabama
4 1975.

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

15 (g) The lump-sum payments provided under this
16 section shall be paid to all eligible recipients by the
17 Teachers' Retirement System by December 15, 2021.

18 Section 2. It is not the intent of this act to make
19 appropriations, but the amount required to pay the cost of the
20 lump-sum payments provided by this act shall be made in the
21 annual Education Trust Fund budget act for the 2022 fiscal
22 year.

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