

1 SB269
2 183388-1
3 By Senator Dial
4 RFD: Finance and Taxation General Fund
5 First Read: 02-MAR-17

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8 SYNOPSIS: Under existing law, there is no provision
9 for retirees and beneficiaries receiving monthly
10 benefits from the Employees' Retirement System to
11 receive a funded one-time lump-sum addition to
12 their retirement allowances.

13 This bill would provide such a payment to
14 certain retirees and beneficiaries under the
15 Employees' Retirement System.

16
17 A BILL
18 TO BE ENTITLED
19 AN ACT

20
21 To provide for a funded one-time lump-sum addition
22 to the retirement benefits of certain retirees and
23 beneficiaries of the Employees' Retirement System.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. (a) There is provided for fiscal year
26 2017-2018 a funded one-time lump-sum payment, hereinafter
27 referred to as lump-sum payment, to each person except those

1 whose employer participated in the Employees' Retirement
2 System pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1,
3 Code of Alabama 1975, whose effective date of retirement for
4 purposes of receiving benefits from the Employees' Retirement
5 System is prior to May 1, 2017, and who is receiving or is
6 entitled to receive a monthly allowance from the Employees'
7 Retirement System on November 30, 2017.

8 (b) The formula for calculating the lump-sum payment
9 shall be two dollars (\$2) per month for each year of service
10 attained by the retiree or three hundred dollars (\$300),
11 whichever is greater.

12 (c) Beneficiaries of deceased members or deceased
13 retirees, except where the deceased member or deceased retiree
14 retired from an employer participating in the Employees'
15 Retirement System pursuant to Sections 36-27-6, 36-27-7, and
16 36-27-7.1, Code of Alabama 1975, if the date of death for the
17 deceased member, or the effective date of retirement for the
18 deceased retiree for purposes of receiving benefits from the
19 Employees' Retirement System was prior to May 1, 2017, and if
20 the beneficiary is receiving or is entitled to receive a
21 monthly allowance from the Employees' Retirement System on
22 November 30, 2017, shall receive a lump-sum payment of three
23 hundred dollars (\$300).

24 (d) For purposes of this act, service includes state
25 police bonus credit or hazardous duty (FLC bonus) credit.

26 Section 2. Any person who received benefits under
27 the Medicaid program and whose eligibility for Medicaid

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

9 Section 3. The Board of Control of the Employees'
10 Retirement System shall determine the amount required to pay
11 the cost of the lump-sum payments provided under this act and
12 shall notify the chief fiscal officer of each employer of the
13 increases in the employer rate required to be paid to the
14 system. For the fiscal year beginning October 1, 2018, only,
15 each employer shall pay the increase in the employer rate in
16 the same manner and from the same source of funds as salaries
17 of active members are paid.

18 Section 4. The lump-sum payments provided under this
19 act shall be paid to all eligible recipients by the Employees'
20 Retirement System in December 2017.

21 Section 5. This act shall become effective
22 immediately following its passage and approval by the
23 Governor, or its otherwise becoming law.