

1 SB388
2 158731-1
3 By Senators Bedford, Dunn, Coleman, Irons, Singleton, Ross,
4 and Smitherman
5 RFD: Finance and Taxation Education
6 First Read: 20-FEB-14

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8 SYNOPSIS: Under existing law, there is no provision
9 for retirees and beneficiaries receiving monthly
10 benefits from the Teachers' Retirement System (TRS)
11 to 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 TRS.

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16 A BILL
17 TO BE ENTITLED
18 AN ACT

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

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. (a) There is provided for fiscal year
25 2014-2015 a funded one-time lump sum payment, hereinafter
26 referred to as "lump sum payment," to each person whose
27 effective date of retirement for purposes of receiving

1 benefits from the Teachers' Retirement System is prior to
2 October 1, 2013, and who is receiving or is entitled to
3 receive a monthly allowance from the Teachers' Retirement
4 System on September 30, 2014.

5 (b) The formula for calculating the lump sum payment
6 shall be four dollars (\$4) per month for each year of service
7 attained by the retiree or one thousand two hundred dollars
8 (\$1,200), whichever is greater.

9 (c) Beneficiaries of deceased members or deceased
10 retirees, if the date of death for the deceased member, or the
11 effective date of retirement for the deceased retiree for
12 purposes of receiving benefits from the Teachers' Retirement
13 System was prior to October 1, 2013, and if the beneficiary is
14 receiving or is entitled to receive a monthly allowance from
15 the Teachers' Retirement System on September 30, 2014, shall
16 receive a lump sum payment of one thousand two hundred dollars
17 (\$1,200).

18 Section 2. Any person who received benefits under
19 the Medicaid program and whose eligibility for Medicaid
20 benefits would be impaired by the lump sum payment provided by
21 this act shall not be entitled to receive the aforementioned
22 increase. Any person who subsequently applies for benefits
23 under the Medicaid program and that person's eligibility to
24 receive benefits is impaired by the lump sum payment provided
25 by this act shall not be entitled to receive the increase
26 subsequent to the date that the member files application for
27 benefits under the Medicaid program.

1 Section 3. The Board of Control of the Teachers'
2 Retirement System shall determine the amount required to pay
3 the cost of the lump sum payments provided under this act and
4 shall notify the chief fiscal officer of each employer of the
5 increases in the employer rate required to be paid to the
6 system. For the fiscal year beginning October 1, 2014, only,
7 each employer shall pay the increase in the employer rate in
8 the same manner and from the same source of funds as salaries
9 of active members are paid.

10 Section 4. The lump sum payments provided under this
11 act shall be paid to all eligible recipients by the Teachers'
12 Retirement System in October 2014.

13 Section 5. This act shall become effective
14 immediately following its passage and approval by the
15 Governor, or its otherwise becoming law.