

1 HB200
2 147647-1
3 By Representative Hubbard (J)
4 RFD: Ways and Means General Fund
5 First Read: 07-FEB-13

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8 SYNOPSIS: This bill would provide a cost-of-living
9 increase to certain retirees and beneficiaries
10 under the Employees' Retirement System for the
11 fiscal year beginning October 1, 2013, for the
12 fiscal year beginning October 1, 2014, and for the
13 fiscal year beginning October 1, 2015.

14
15 A BILL
16 TO BE ENTITLED
17 AN ACT
18

19 To provide a cost-of-living increase to certain
20 retirees and beneficiaries under the Employees' Retirement
21 System for the fiscal year beginning October 1, 2013, for the
22 fiscal year beginning October 1, 2014, and for the fiscal year
23 beginning October 1, 2015.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. (a) Commencing October 1, 2013, each
26 person, except those whose employer participated in the
27 Employees' Retirement System pursuant to Sections 36-27-6,

1 36-27-7, and 36-27-7.1, Code of Alabama 1975, whose effective
2 date of retirement for purposes of receiving benefits from the
3 Employees' Retirement System is prior to October 1, 2012, and
4 who is receiving or is entitled to receive a monthly allowance
5 from the Employees' Retirement System, shall receive a
6 cost-of-living increase of five percent (5%) in their gross
7 monthly benefit.

8 (b) Beneficiaries of deceased members or deceased
9 retirees, except where the deceased member or deceased retiree
10 retired from an employer participating in the Employees'
11 Retirement System pursuant to Sections 36-27-6, 36-27-7, and
12 36-27-7.1, Code of Alabama 1975, if the date of death for the
13 deceased member, or the effective date of retirement for the
14 deceased retiree for purposes of receiving benefits from the
15 Employees' Retirement System was prior to October 1, 2012,
16 shall receive a cost-of-living increase of five percent (5%)
17 in their gross monthly benefit.

18 Section 2. (a) Commencing October 1, 2013, each
19 person whose employer participated in the Employees'
20 Retirement System pursuant to Section 36-27-6, Code of Alabama
21 1975, whose effective date of retirement for purposes of
22 receiving benefits from the Employees' Retirement System is
23 prior to October 1, 2012, and who is receiving or is entitled
24 to receive a monthly allowance from the Employees' Retirement
25 System, may receive a cost-of-living increase determined by
26 the provisions used in Section 1 of this act, if the employer
27 elects to come under this act. Any employer making the

1 election to come under the act shall bear the cost of the
2 cost-of-living increases paid to its employees pursuant to
3 this section. Any employer participating under Section
4 36-27-6, Code of Alabama 1975, may elect to come under this
5 act at anytime and have the act become effective on October 1,
6 2013, or on October 1 of any subsequent fiscal year and the
7 employer shall not be required to pay his or her
8 cost-of-living increase retroactively unless the employer
9 elects to fund the increase.

10 (b) If the employer elects to come under this act,
11 beneficiaries of deceased members or deceased retirees retired
12 from an employer participating in the Employees' Retirement
13 System pursuant to Section 36-27-6, Code of Alabama 1975,
14 shall receive the same cost-of-living increase provided in
15 Section 1 of this act.

16 Section 3. Commencing October 1, 2013, each person
17 whose employer participated in the Employees' Retirement
18 System pursuant to Sections 36-27-7 and 36-27-7.1, Code of
19 Alabama 1975, whose effective date of retirement for purposes
20 of receiving benefits from the Employees' Retirement System is
21 prior to October 1, 2012, and who is receiving a monthly
22 allowance or is eligible to receive a monthly allowance from
23 the Employees' Retirement System, shall receive a
24 cost-of-living increase as described in Section 1 of this act.
25 Beneficiaries of deceased members or deceased retirees of
26 employers participating in the Employees' Retirement System
27 pursuant to Sections 36-27-7 and 36-27-7.1, Code of Alabama

1 1975, shall receive a cost-of-living increase of five percent
2 (5%) in their gross monthly benefit.

3 Section 4. The Board of Control of the Employees'
4 Retirement System shall determine annually the amount required
5 to pay the cost of the increased allowance provided under the
6 provisions of this act, and shall notify the chief fiscal
7 officer of each employer of the per centum rates of earnable
8 compensation of the members required to be paid to the
9 retirement system. Each employer of members of the Employees'
10 Retirement System shall pay on account of the increases
11 provided under the provisions of this act in the same manner
12 and from the same source of funds as provided in Sections
13 36-27-7 and 36-27-24, Code of Alabama 1975, it being the
14 intent of the Legislature that the cost of providing the
15 increases under the provisions of this act shall be determined
16 from all funds in proportion to the salaries paid therefrom
17 for active members.

18 Section 5. (a) Commencing October 1, 2013, any
19 retired employee who retired from a city, town, county, or
20 public or quasi-public organization of the state before the
21 city, town, county, or public or quasi-public organization of
22 the state became a member of the Employees' Retirement System,
23 and who is receiving a monthly benefit prior to October 1,
24 2012, administered by the Employees' Retirement System may
25 receive an increase in benefits of five percent (5%), provided
26 the retired employee retired prior to October 1, 2012, and the

1 employer decides to come under the provisions of this act and
2 fund the increase.

3 (b) Commencing October 1, 2013, beneficiaries of
4 Employees' Retirement System pensioners shall receive an
5 increase of five percent (5%) of their gross monthly benefit,
6 provided the date of death for the deceased pensioner, or the
7 effective date of retirement for the deceased pensioner was
8 prior to October 1, 2012, and the local units elect to fund
9 the increase.

10 Section 6. Commencing October 1, 2013, any pensioner
11 or annuitant who retired prior to October 1, 2012, from a
12 city, town, county, or public or quasi-public organization of
13 the state before the city, town, county, or public or
14 quasi-public organization of the state became a member of the
15 Employees' Retirement System and is receiving a monthly
16 benefit not administered by the Employees' Retirement System
17 shall receive an increase of five percent (5%) of their gross
18 monthly benefit, provided the city, town, county, or public or
19 quasi-public organization of the state elects to fund and pay
20 the increase.

21 Section 7. The Board of Control of the Employees'
22 Retirement System shall make all reasonable efforts to notify
23 any employer who participated in the Employees' Retirement
24 System and has withdrawn from participation by the effective
25 date of this act that the cost-of-living increase provided for
26 under the provisions of this act is available to their

1 retirees and beneficiaries provided the employer elects to
2 fund the increase.

3 Section 8. Commencing October 1, 2013, there is
4 provided a cost-of-living adjustment (COLA) of five percent
5 (5%) of the current gross benefit to certain persons
6 identified in this section who are currently receiving
7 benefits whose effective date of retirement was prior to
8 October 1, 2012, for purposes of receiving benefits from the
9 Employees' Retirement System, and to certain beneficiaries of
10 deceased members and deceased retirees who are currently
11 receiving survivor benefits if the effective date of
12 retirement or death for the deceased member or retiree was
13 prior to October 1, 2012, for purposes of receiving benefits
14 from the Employees' Retirement System. The benefits provided
15 in this section are limited to those retirees whose
16 participation in the Employees' Retirement System was based on
17 Section 36-27-6, Code of Alabama 1975, and whose employer at
18 the time of retirement was a local board of education or a
19 state-supported institution of higher education. The benefits
20 granted in this section shall not apply to any other
21 participants in the Employees' Retirement System.

22 Section 9. Any person who received benefits under
23 the Medicaid Program and whose eligibility for Medicaid
24 benefits would be impaired by the cost-of-living increase
25 provided to retirees and beneficiaries by this act shall not
26 be entitled to receive the aforementioned increase. Any person
27 who subsequently applies for benefits under the Medicaid

1 Program and that person's eligibility to receive benefits is
2 impaired by the cost-of-living increase provided to retirees
3 and beneficiaries by this act, shall not be entitled to
4 receive the increase subsequent to the date that the member
5 files application for benefits under the Medicaid Program.

6 Section 10. (a) Commencing October 1, 2014, each
7 person, except those whose employer participated in the
8 Employees' Retirement System pursuant to Sections 36-27-6,
9 36-27-7, and 36-27-7.1, Code of Alabama 1975, whose effective
10 date of retirement for purposes of receiving benefits from the
11 Employees' Retirement System is prior to October 1, 2013, and
12 who is receiving or is entitled to receive a monthly allowance
13 from the Employees' Retirement System, shall receive the
14 cost-of-living increase of two and one-half percent (2.5%) in
15 his or her gross monthly benefit.

16 (b) Beneficiaries of deceased members or deceased
17 retirees, except where the deceased member or deceased retiree
18 retired from an employer participating in the Employees'
19 Retirement System pursuant to Sections 36-27-6, 36-27-7, and
20 36-27-7.1, Code of Alabama 1975, if the date of death for the
21 deceased member, or the effective date of retirement for the
22 deceased retiree for purposes of receiving benefits from the
23 Employees' Retirement System was prior to October 1, 2013,
24 shall receive the cost-of-living increase of two and one-half
25 percent (2.5%) in their gross monthly benefit.

26 Section 11. (a) Commencing October 1, 2014, each
27 person whose employer participated in the Employees'

1 Retirement System pursuant to Section 36-27-6, Code of Alabama
2 1975, whose effective date of retirement for purposes of
3 receiving benefits from the Employees' Retirement System is
4 prior to October 1, 2013, and who is receiving or is entitled
5 to receive a monthly allowance from the Employees' Retirement
6 System, may receive a cost-of-living increase determined by
7 the provisions used in Section 10 of this act, if the employer
8 elects to come under this act. Any employer making the
9 election to come under the act shall bear the cost of the
10 cost-of-living increases paid to its employees pursuant to
11 this section. Any employer participating under Section
12 36-27-6, Code of Alabama 1975, may elect to come under this
13 act at any time and have the act become effective on October
14 1, 2014, or on October 1 of any subsequent fiscal year and the
15 employer shall not be required to pay the cost-of-living
16 increase retroactively unless the employer elects to fund the
17 increase.

18 (b) If the employer elects to come under this act,
19 beneficiaries of deceased members or deceased retirees retired
20 from an employer participating in the Employees' Retirement
21 System pursuant to Section 36-27-6, Code of Alabama 1975,
22 shall receive the same cost-of-living increase provided in
23 Section 10 of this act.

24 Section 12. Commencing October 1, 2014, each person
25 whose employer participated in the Employees' Retirement
26 System pursuant to Sections 36-27-7 and 36-27-7.1, Code of
27 Alabama 1975, whose effective date of retirement for purposes

1 of receiving benefits from the Employees' Retirement System is
2 prior to October 1, 2013, and who is receiving a monthly
3 allowance or is eligible to receive a monthly allowance from
4 the Employees' Retirement System, shall receive a
5 cost-of-living increase as described in Section 10 of this
6 act. Beneficiaries of deceased members or deceased retirees of
7 employers participating in the Employees' Retirement System
8 pursuant to Sections 36-27-7 and 36-27-7.1, Code of Alabama
9 1975, shall receive the cost-of-living increase of two and
10 one-half percent (2.5%) in their gross monthly benefit.

11 Section 13. The Board of Control of the Employees'
12 Retirement System shall determine annually the amount required
13 to pay the cost of the increased allowance provided under the
14 provisions of this act, and shall notify the chief fiscal
15 officer of each employer of the per centum rates of earnable
16 compensation of the members required to be paid to the
17 retirement systems. Each employer of members of the Employees'
18 Retirement System shall pay on account of the increases
19 provided under the provisions of this act in the same manner
20 and from the same source of funds as provided in Sections
21 36-27-7 and 36-27-24, Code of Alabama 1975, it being the
22 intent of the Legislature that the cost of providing the
23 increases under the provisions of this act shall be determined
24 from all funds in proportion to the salaries paid therefrom
25 for active members.

26 Section 14. (a) Commencing October 1, 2014, any
27 retired employee who retired from a city, town, county, or

1 public or quasi-public organization of the state before the
2 city, town, county, or public or quasi-public organization of
3 the state became a member of the Employees' Retirement System,
4 and who is receiving a monthly benefit prior to October 1,
5 2013, administered by the Employees' Retirement System may
6 receive the cost-of-living increase of two and one-half
7 percent (2.5%) in his or her gross monthly benefit, provided
8 the retired employee retired prior to October 1, 2013, and the
9 employer decides to come under the provisions of this act and
10 fund the increase.

11 (b) Commencing October 1, 2014, beneficiaries of
12 Employees' Retirement System pensioners shall receive the
13 cost-of-living increase of two and one-half percent (2.5%) in
14 their gross monthly benefit. The increases shall be granted
15 provided that the date of death for the deceased pensioner, or
16 the effective date of retirement for the deceased pensioner
17 was prior to October 1, 2013, and the local units elect to
18 fund the increase.

19 Section 15. Commencing October 1, 2014, any
20 pensioner or annuitant who retired prior to October 1, 2013,
21 from a city, town, county, or public or quasi-public
22 organization of the state before the city, town, county, or
23 public or quasi-public organization of the state became a
24 member of the Employees' Retirement System and is receiving a
25 monthly benefit not administered by the Employees' Retirement
26 System shall receive the cost-of-living increase of two and
27 one-half percent (2.5%) in his or her gross monthly benefit.

1 The increase shall be granted provided the city, town, county,
2 or public or quasi-public organization of the state elects to
3 fund and pay the increase.

4 Section 16. The Board of Control of the Employees'
5 Retirement System shall make all reasonable efforts to notify
6 any employer who participated in the Employees' Retirement
7 System and has withdrawn from participation by the effective
8 date of this act that the cost-of-living increase provided for
9 under the provisions of this act is available to his or her
10 retirees and beneficiaries provided the employer elects to
11 fund the increase.

12 Section 17. Commencing October 1, 2014, there is
13 provided a cost-of-living adjustment (COLA) of two and
14 one-half percent (2.5%) of the current gross benefit to
15 certain persons identified in this section who are currently
16 receiving benefits whose effective date of retirement was
17 prior to October 1, 2013, for purposes of receiving benefits
18 from the Employees' Retirement System, and to certain
19 beneficiaries of deceased members and deceased retirees who
20 are currently receiving survivor benefits if the effective
21 date of retirement or death for the deceased member or retiree
22 was prior to October 1, 2013, for purposes of receiving
23 benefits from the Employees' Retirement System. The benefits
24 provided in this subsection are limited to those retirees
25 whose participation in the Employees' Retirement System was
26 based on Section 36-27-6, Code of Alabama 1975, and whose
27 employer at the time of retirement was a local board of

1 education or a state-supported institution of higher
2 education. The benefits granted in this subsection shall not
3 apply to any other participants in the Employees' Retirement
4 System.

5 Section 18. Any person who received benefits under
6 the Medicaid Program and whose eligibility for Medicaid
7 benefits would be impaired by the cost-of-living increase
8 provided by this act shall not be entitled to receive the
9 aforementioned increase. Any person who subsequently applies
10 for benefits under the Medicaid Program and that person's
11 eligibility to receive benefits is impaired by the
12 cost-of-living increase provided by this act, shall not be
13 entitled to receive the increase subsequent to the date that
14 the member files application for benefits under the Medicaid
15 Program.

16 Section 19. (a) Commencing October 1, 2015, each
17 person, except those whose employer participated in the
18 Employees' Retirement System pursuant to Sections 36-27-6,
19 36-27-7, and 36-27-7.1, Code of Alabama 1975, whose effective
20 date of retirement for purposes of receiving benefits from the
21 Employees' Retirement System is prior to October 1, 2014, and
22 who is receiving or is entitled to receive a monthly allowance
23 from the Employees' Retirement System, shall receive the
24 cost-of-living increase of two and one-half percent (2.5%) in
25 his or her gross monthly benefit.

26 (b) Beneficiaries of deceased members or deceased
27 retirees, except where the deceased member or deceased retiree

1 retired from an employer participating in the Employees'
2 Retirement System pursuant to Sections 36-27-6, 36-27-7, and
3 36-27-7.1, Code of Alabama 1975, if the date of death for the
4 deceased member, or the effective date of retirement for the
5 deceased retiree for purposes of receiving benefits from the
6 Employees' Retirement System was prior to October 1, 2014,
7 shall receive the cost-of-living increase of two and one-half
8 percent (2.5%) in their gross monthly benefit.

9 Section 20. (a) Commencing October 1, 2015, each
10 person whose employer participated in the Employees'
11 Retirement System pursuant to Section 36-27-6, Code of Alabama
12 1975, whose effective date of retirement for purposes of
13 receiving benefits from the Employees' Retirement System is
14 prior to October 1, 2014, and who is receiving or is entitled
15 to receive a monthly allowance from the Employees' Retirement
16 System, may receive a cost-of-living increase determined by
17 the provisions used in Section 19 of this act, if the employer
18 elects to come under this act. Any employer making the
19 election to come under the act shall bear the cost of the
20 cost-of-living increases paid to its employees pursuant to
21 this section. Any employer participating under Section
22 36-27-6, Code of Alabama 1975, may elect to come under this
23 act at any time and have the act become effective on October
24 1, 2015, or on October 1 of any subsequent fiscal year and the
25 employer shall not be required to pay the cost-of-living
26 increase retroactively unless the employer elects to fund the
27 increase.

1 (b) If the employer elects to come under this act,
2 beneficiaries of deceased members or deceased retirees retired
3 from an employer participating in the Employees' Retirement
4 System pursuant to Section 36-27-6, Code of Alabama 1975,
5 shall receive the same cost-of-living increase provided in
6 Section 19 of this act.

7 Section 21. Commencing October 1, 2015, each person
8 whose employer participated in the Employees' Retirement
9 System pursuant to Sections 36-27-7 and 36-27-7.1, Code of
10 Alabama 1975, whose effective date of retirement for purposes
11 of receiving benefits from the Employees' Retirement System is
12 prior to October 1, 2014, and who is receiving a monthly
13 allowance or is eligible to receive a monthly allowance from
14 the Employees' Retirement System, shall receive a
15 cost-of-living increase as described in Section 19 of this
16 act. Beneficiaries of deceased members or deceased retirees of
17 employers participating in the Employees' Retirement System
18 pursuant to Sections 36-27-7 and 36-27-7.1, Code of Alabama
19 1975, shall receive the cost-of-living increase of two and
20 one-half percent (2.5%) in their gross monthly benefit.

21 Section 22. The Board of Control of the Employees'
22 Retirement System shall determine annually the amount required
23 to pay the cost of the increased allowance provided under the
24 provisions of this act, and shall notify the chief fiscal
25 officer of each employer of the per centum rates of earnable
26 compensation of the members required to be paid to the
27 retirement systems. Each employer of members of the Employees'

1 Retirement System shall pay on account of the increases
2 provided under the provisions of this act in the same manner
3 and from the same source of funds as provided in Sections
4 36-27-7 and 36-27-24, Code of Alabama 1975, it being the
5 intent of the Legislature that the cost of providing the
6 increases under the provisions of this act shall be determined
7 from all funds in proportion to the salaries paid therefrom
8 for active members.

9 Section 23. (a) Commencing October 1, 2015, any
10 retired employee who retired from a city, town, county, or
11 public or quasi-public organization of the state before the
12 city, town, county, or public or quasi-public organization of
13 the state became a member of the Employees' Retirement System,
14 and who is receiving a monthly benefit prior to October 1,
15 2014, administered by the Employees' Retirement System may
16 receive the cost-of-living increase of two and one-half
17 percent (2.5%) in his or her gross monthly benefit, provided
18 the retired employee retired prior to October 1, 2014, and the
19 employer decides to come under the provisions of this act and
20 fund the increase.

21 (b) Commencing October 1, 2015, beneficiaries of
22 Employees' Retirement System pensioners shall receive the
23 cost-of-living increase of two and one-half percent (2.5%) in
24 their gross monthly benefit. The increases shall be granted
25 provided that the date of death for the deceased pensioner, or
26 the effective date of retirement for the deceased pensioner

1 was prior to October 1, 2014, and the local units elect to
2 fund the increase.

3 Section 24. Commencing October 1, 2015, any
4 pensioner or annuitant who retired prior to October 1, 2014,
5 from a city, town, county, or public or quasi-public
6 organization of the state before the city, town, county, or
7 public or quasi-public organization of the state became a
8 member of the Employees' Retirement System and is receiving a
9 monthly benefit not administered by the Employees' Retirement
10 System shall receive the cost-of-living increase of two and
11 one-half percent (2.5%) in his or her gross monthly benefit.
12 The increase shall be granted provided the city, town, county,
13 or public or quasi-public organization of the state elects to
14 fund and pay the increase.

15 Section 25. The Board of Control of the Employees'
16 Retirement System shall make all reasonable efforts to notify
17 any employer who participated in the Employees' Retirement
18 System and has withdrawn from participation by the effective
19 date of this act that the cost-of-living increase provided for
20 under the provisions of this act is available to his or her
21 retirees and beneficiaries provided the employer elects to
22 fund the increase.

23 Section 26. Commencing October 1, 2015, there is
24 provided a cost-of-living adjustment (COLA) of two and
25 one-half percent (2.5%) of the current gross benefit to
26 certain persons identified in this section who are currently
27 receiving benefits whose effective date of retirement was

1 prior to October 1, 2014, for purposes of receiving benefits
2 from the Employees' Retirement System, and to certain
3 beneficiaries of deceased members and deceased retirees who
4 are currently receiving survivor benefits if the effective
5 date of retirement or death for the deceased member or retiree
6 was prior to October 1, 2014, for purposes of receiving
7 benefits from the Employees' Retirement System. The benefits
8 provided in this subsection are limited to those retirees
9 whose participation in the Employees' Retirement System was
10 based on Section 36-27-6, Code of Alabama 1975, and whose
11 employer at the time of retirement was a local board of
12 education or a state-supported institution of higher
13 education. The benefits granted in this subsection shall not
14 apply to any other participants in the Employees' Retirement
15 System

16 Section 27. Any person who received benefits under
17 the Medicaid Program and whose eligibility for Medicaid
18 benefits would be impaired by the cost-of-living increase
19 provided by this act shall not be entitled to receive the
20 aforementioned increase. Any person who subsequently applies
21 for benefits under the Medicaid Program and that person's
22 eligibility to receive benefits is impaired by the
23 cost-of-living increase provided by this act, shall not be
24 entitled to receive the increase subsequent to the date that
25 the member files application for benefits under the Medicaid
26 Program.

1 Section 28. All laws or parts of laws which conflict
2 with this act are repealed.

3 Section 29. The provisions of this act are
4 severable. If any part of this act is declared invalid or
5 unconstitutional, that declaration shall not affect the part
6 which remains.

7 Section 30. This act shall become effective
8 immediately following its passage and approval by the
9 Governor, or its otherwise becoming law.