

1 HB334  
2 127477-1  
3 By Representative Hubbard (J)  
4 RFD: State Government  
5 First Read: 24-MAR-11

SYNOPSIS: Currently, employees and officers of the Teachers' Retirement System, the Employees' Retirement System, and the Judicial Retirement Fund who are convicted of a felony offense may continue to receive their public retirement benefits.

This bill would require that such persons would forfeit to the employer the employer-paid portion and the interest or gains on the employer-paid portion of his or her retirement benefits upon a guilty plea, a plea of no contest, or a final conviction of a felony offense related to the performance of his or her duties of office, in a court of this state or any other state of the United States, or in a United States federal court. This bill would provide that forfeited benefits be applied to reimburse for damages caused by the employee's illicit action, with any actual damages to be applied by the employer at the employer's discretion.

1 A BILL  
2 TO BE ENTITLED  
3 AN ACT  
4

5 To require that any person who is a member of the  
6 Employees' Retirement System, the Teachers' Retirement System,  
7 or the Judicial Retirement Fund, either an active or inactive  
8 member who has an accrued retirement benefit or a retired  
9 member, to forfeit to the employer the employer-paid portion  
10 and the interest or gains on the employer-paid portion of his  
11 or her retirement benefits upon a guilty plea, a plea of no  
12 contest, or a final conviction of a felony offense related to  
13 the person's performance of his or her official duties in a  
14 court of this state or any other state of the United States or  
15 in a United States federal court; and to provide that  
16 forfeited benefit amounts be used to reimburse damages covered  
17 by the employee's illicit action, with any amounts exceeding  
18 actual damages to be applied by the employer as determined by  
19 the employer.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

21 Section 1. On and after the effective date of this  
22 act, any person who is an active or inactive member who has an  
23 accrued retirement benefit or a retired member of the  
24 Employees' Retirement System, the Teachers' Retirement System,  
25 or the Judicial Retirement Fund shall forfeit to the employer  
26 any retirement benefits that are based on the employer-paid  
27 portion and interest and gains earned or accumulated on the

1 employer-paid portion of his or her retirement contributions  
2 upon a guilty plea, a plea of no contest, or a final  
3 conviction of a felony offense related to the performance of  
4 the duties of any public office as declared by the presiding  
5 judge of the court in a United States federal court, an  
6 Alabama court, or the court of any other state of the United  
7 States. The forfeited benefits shall be applied as  
8 reimbursement for damages caused by the employee's illicit  
9 actions, with any forfeited benefits exceeding actual damages  
10 sustained by the employer to be applied by the employer at the  
11 employer's discretion.

12 Section 2. Officers and employees of the Employees'  
13 Retirement System, the Teachers' Retirement System, and the  
14 Judicial Retirement Fund are immune from any civil or criminal  
15 liability for any action taken pursuant to this act.

16 Section 3. The provisions of this act are severable.  
17 If any part of this act is declared invalid or  
18 unconstitutional, that declaration shall not affect the part  
19 which remains.

20 Section 4. This act shall become effective  
21 immediately following its passage and approval by the  
22 Governor, or its otherwise becoming law.