SB301

PMKTRGE-1

By Senators Hatcher, Coleman-Madison, Smitherman, Stewart, Beasley, Coleman, Singleton

RFD: Finance and Taxation Education

First Read: 04-Apr-24

SYNOPSIS:

This bill would provide for a benefit increase for certain retirees of the Teachers' Retirement System on October 1, 2024.

A BILL

TO BE ENTITLED

AN ACT

Providing for a benefit increase for certain retirees and beneficiaries of the Teachers' Retirement System effective October 1, 2024.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) Commencing October 1, 2024, and subject to the provisions of HB201 of the 2024 Regular Session, there is provided an increase in benefits to each individual currently receiving benefits whose effective date of retirement was prior to October 1, 2023, for purposes of receiving benefits and to certain beneficiaries of deceased members and deceased retirees currently receiving survivor benefits, if the effective date of retirement or death for the deceased retiree or deceased member was prior to October 1, 2023, for purposes of receiving benefits from the Teachers' Retirement System, a cost-of-living increase of three percent

of the current gross benefit, but not less than fifteen dollars ($15) per month.

(b) Commencing October 1, 2024, there is provided an increase in benefits to certain individuals identified in this subsection who are currently receiving benefits whose effective date of retirement was prior to October 1, 2023, for purposes of receiving benefits from the Teachers' Retirement System and to certain beneficiaries of deceased members and deceased retirees who are currently receiving survivor benefits if the effective date of retirement or death for the deceased member or retiree was prior to October 1, 2023, for purposes of receiving benefits from the Teachers' Retirement System, a cost-of-living increase of three percent of the current gross benefit. In no case shall the cost-of-living increase be less than fifteen dollars ($15) per month. The benefits provided in this subsection are limited to those retirees whose participation in the Teachers' Retirement System was based on Section 36-27-6, Code of Alabama 1975, and whose employer at the time of retirement was a local board of education or a state-supported institution of higher education. The benefits granted in this subsection shall not apply to any other participants in the Teachers' Retirement System.

(c) Any future survivor allowance shall be adjusted as provided in the member's original option selection for those eligible retirees who have selected a monthly survivor allowance payable to a designated beneficiary upon the death of the retiree, or as otherwise provided by law in the case of

a qualifying member who dies prior to October 1, 2024.

(d) The Board of Control of the Teachers' Retirement System shall determine annually the amount required to pay the cost of the increased allowance provided under this section and shall notify the chief fiscal officer of each employer of the per centum rates of earnable compensation of the members required to be paid to the retirement system. Each employer of members of the Teachers' Retirement System shall pay on account of the increases provided in this section in the same manner and from the same source of funds as provided in Section 16-25-21, Code of Alabama 1975, it being the intent of the Legislature that the cost of providing the increases in this section shall be distributed from all funds in proportion to the salaries paid therefrom for active members.

(e) Any individual who received benefits under the Medicaid Program and whose eligibility for Medicaid benefits would be impaired by the cost-of-living increase provided by this section shall not be entitled to receive the aforementioned increase. Any individual who subsequently applies for benefits under the Medicaid Program and that individual's eligibility to receive benefits is impaired by the cost-of-living increase provided by this section shall not be entitled to receive the increase subsequent to the date that the member files application for benefits under the Medicaid Program.

(f) Pursuant to HB201 of the 2024 Regular Session, the Teachers' Retirement System shall pay the benefit increase to the eligible retirees and beneficiaries provided for in this

section only if the annual cost of the increase as estimated by the actuary of the system is included and appropriated in the Education Trust Fund appropriation act for each fiscal year by a separate employer rate. In any fiscal year in which the required separate employer rate is not identified and appropriated in the appropriation act, eligible retirees and beneficiaries shall not receive, and the Teachers' Retirement System shall not be required to pay, the increase in that fiscal year. The benefit increase may be resumed in any subsequent fiscal year if included in that year's appropriation act.

Section 2. This act shall become effective on October 1, 2024.