HB312

I3RQDW6-1

By Representative

RFD: Ways and Means General Fund

First Read: 22-Jan-26

SYNOPSIS:

Pursuant to the District Attorneys' Plan for Retirement under the Judicial Retirement Fund, a service retirement allowance and a disability retirement allowance are calculated by the use of a formula and may not exceed 80 percent of the member's average final compensation.

This bill would revise the definition of "average final compensation" for purposes of the District Attorneys' Plan.

This bill would revise the percentage of a member's average final compensation used for determining a member's pension and would decrease the limitation on both the service retirement allowance and disability retirement allowance permitted to 75 percent of the member's average final compensation.

This bill would provide that the service retirement allowance and disability retirement allowance of a member who has attained 18 or more years of membership service shall be 75 percent of the member's average final compensation.

This bill would also revise the definition of "average final compensation" for purposes of the Judicial Retirement Fund.

A BILL

TO BE ENTITLED

AN ACT

Relating to the District Attorneys' Plan for Retirement under the Judicial Retirement Fund; to amend Sections 12-17-227, 12-17-227.4, 12-17-227.5, and 12-18-150, Code of Alabama 1975; to revise the definition of "average final compensation" for purposes of the District Attorneys' Plan; to revise the percentage of a member's average final compensation used for determining a member's pension; to revise the maximum amount of a service retirement allowance and a disability retirement allowance; and to revise the definition of "average final compensation" for purposes of the Judicial Retirement Fund.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 12-17-227, 12-17-227.4, 12-17-227.5, and 12-18-150 of the Code of Alabama 1975, are amended to read as follows:

"§12-17-227

When used in this division, the following terms ~~shall~~ have the following meanings, respectively, unless the context clearly indicates otherwise:

(1) ACCUMULATED CONTRIBUTIONS. The sum of all the amounts deducted from the compensation of a member credited to his or her individual account in the District Attorneys' Plan, together with regular interest thereon.

(2) ACTUARIAL EQUIVALENT. A benefit of equal value when computed upon the basis of the mortality tables adopted by the Board of Control and regular interest.

(3) ANNUITY. Payments for life derived from the accumulated contributions of a member. All annuities shall be payable in equal monthly installments.

(4) AVERAGE FINAL COMPENSATION. The ~~average~~ highest annual ~~compensation~~ salary of a district attorney with respect to which he or she had made contributions pursuant to Section 12-17-227.2 ~~during the five years in his or her last 10 years of membership service for which the average is highest~~ or the average annual compensation during his or her entire period of membership service if less than ~~five~~ six years.

(5) BENEFICIARY. Any person in receipt of a pension, an annuity, a retirement allowance, or other benefit as provided by this division.

(6) BOARD OF CONTROL. The board provided for in Section 36-27-23 to administer the retirement system.

(7) DISTRICT ATTORNEY. Except as otherwise provided in Section 12-17-227.11, any district attorney first elected or appointed to his or her position on or after November 8, 2016.

(8) EMPLOYER. The State of Alabama or any department, agency, or local governing body by which a district attorney is paid.

(9) FUND. The Judicial Retirement Fund provided for in Chapter 18 of this title.

(10) MEDICAL BOARD. The board of physicians provided for in Section 36-27-23.

(11) MEMBER. Any district attorney included in membership of the plan.

(12) MEMBERSHIP SERVICE. Service as a district attorney on account of which contributions are made.

(13) PENSION. Payments for life derived from money provided by the employer. All pensions shall be payable in equal monthly installments.

(14) PLAN. The District Attorneys' Plan provided for in Section 12-17-227.1.

(15) REGULAR INTEREST. Interest compounded annually at the rate determined by the Board of Control.

(16) RETIREMENT. Withdrawal from active service with a retirement allowance or optional benefit in lieu thereof granted under this division.

(17) RETIREMENT ALLOWANCE. The sum of the annuity and the pension.

(18) RETIREMENT SYSTEM. The Employees' Retirement System of Alabama as defined in Section 36-27-2.

(19) SUPERNUMERARY DISTRICT ATTORNEY. A supernumerary district attorney who has elected to come under the provisions and requirements of Division 2 of this article."

"§12-17-227.4

(a) Any member who withdraws from service upon or after attainment of ~~age~~ 62 years of age may retire upon written application to the Board of Control setting forth at what time, not less than 30 days nor more than 90 days subsequent to the execution and filing thereof, he or she desires to be retired~~;~~, provided~~,~~ that any such member shall have completed

10 or more years of membership service in the District Attorneys' Plan.

(b) Any member who has attained ~~age~~ 62 years of age and has previously withdrawn from service may retire upon written application to the Board of Control setting forth at what time, not less than 30 days nor more than 90 days subsequent to the execution and filing thereof, he or she desires to be retired~~;~~, provided~~,~~ that any such member shall have completed 10 or more years of membership service.

(c) Upon retirement from service, the member shall receive a service retirement allowance which shall consist of an annuity, which shall be the actuarial equivalent of the member's accumulated contributions at the time of retirement, and a pension, which when added to the member's annuity shall be equal to ~~three percent (3%)~~ four percent of the member's average final compensation multiplied by the member's number of years of membership service. Notwithstanding the foregoing, the service retirement allowance shall not exceed ~~eighty percent (80%)~~ 75 percent of the member's average final compensation. The service retirement allowance of a member who has attained 18 or more years of membership service shall be 75 percent of the member's average final compensation."

"§12-17-227.5

(a) Upon application of an active and contributing member, any such member who has 10 or more years of membership service who becomes disabled may be retired on a disability retirement allowance by the Board of Control not less than 30 days nor more than 90 days next following the date of filing

of such application~~;~~, provided that the medical board, after a medical examination of such member, shall certify that such individual is totally and permanently mentally or physically incapacitated from regular and substantial gainful employment, and that such member should be retired.

(b) Upon retirement for disability, the member shall receive a service retirement allowance if he or she has attained ~~age~~ 62 years of age; otherwise, he or she shall receive a disability retirement allowance which shall consist of an annuity, which shall be the actuarial equivalent of the member's accumulated contributions at the time of retirement, and a pension, which when added to the member's annuity shall be equal to ~~three percent (3%)~~ four percent of the member's average final compensation multiplied by the member's number of years of membership service. Notwithstanding the foregoing, the disability retirement allowance shall not exceed ~~eighty percent (80%)~~ 75 percent of the member's average final compensation. The disability retirement allowance of a member who has attained 18 or more years of membership service shall be 75 percent of the member's average final compensation.

(c) Once each year during the first five years following the retirement of a member on a disability retirement allowance and once every three-year period thereafter, the Board of Control may require any disability beneficiary who has not yet attained ~~age~~ 62 years of age to undergo a medical examination, such examination to be made at the place of residence of such beneficiary or other place mutually agreed upon by a physician or physicians of or

designated by the medical board. Should any disability beneficiary who has not yet attained ~~age~~ 62 years of age refuse to submit to such medical examination, his or her retirement allowance may be discontinued until his or her withdrawal of such refusal, and should his or her refusal continue for one year, all his or her rights in and to his or her pension may be revoked by the Board of Control. Should the medical board report and certify to the Board of Control that a disability beneficiary has the capacity to engage in regular and substantial gainful employment, the Board of Control shall discontinue the beneficiary's retirement allowance until the beneficiary is otherwise eligible for service retirement."

"§12-18-150

When used in this article, the following terms ~~shall~~ have the following meanings, respectively, unless the context clearly indicates otherwise:

(1) ACCUMULATED CONTRIBUTIONS. The sum of all the amounts deducted from the compensation of a member credited to his or her individual account in the Judges' and Clerks' Plan, together with regular interest thereon.

(2) ACTUARIAL EQUIVALENT. A benefit of equal value when computed upon the basis of the mortality tables adopted by the Board of Control and regular interest.

(3) ANNUITY. Payments for life derived from the accumulated contributions of a member. All annuities shall be payable in equal monthly installments.

(4) AVERAGE FINAL COMPENSATION. The ~~average~~ highest annual ~~compensation~~ salary of a judge or clerk with respect to

which he or she had made contributions pursuant to Section 12-18-152~~ during the five years in his or her last 10 years of membership service for which the average is highest~~ or the average annual compensation during his or her entire period of membership service if less than~~ five~~ six years.

(5) BENEFICIARY. Any person in receipt of a pension, an annuity, a retirement allowance, or other benefit as provided by this article.

(6) BOARD OF CONTROL. The board provided for in Section 36-27-23 to administer the retirement system.

(7) EMPLOYER. The State of Alabama or any department, agency, or local governing body by which a judge or clerk is paid.

(8) FUND. The Judicial Retirement Fund provided for in this chapter.

(9) JUDGE OR CLERK. Any justice of the Supreme Court, judge of the Court of Civil Appeals, judge of the Court of Criminal Appeals, circuit judge, district judge, judge of probate~~ judge~~, or circuit clerk who is not a member of the Judicial Retirement Fund or Clerks' and Registers' Supernumerary Fund on November 7, 2016, and who is first elected or appointed to his or her position on or after November 8, 2016. This shall not include any judge or clerk who is a member of the Judicial Retirement Fund or Clerks' and Registers' Supernumerary Fund prior to November 8, 2016, regardless of when he or she is first appointed or elected to his or her judicial or clerk position.

(10) MEDICAL BOARD. The board of physicians provided

for in Section 36-27-23.

(11) MEMBER. Any judge or clerk included in membership of the plan.

(12) MEMBERSHIP SERVICE. Service as a judge or clerk on account of which contributions are made.

(13) PENSION. Payments for life derived from money provided by the employer. All pensions shall be payable in equal monthly installments.

(14) PLAN. The Judges' and Clerks' Plan provided for in Section 12-18-151.

(15) REGULAR INTEREST. Interest compounded annually at the rate determined by the Board of Control.

(16) RETIREMENT. Withdrawal from active service with a retirement allowance or optional benefit in lieu thereof granted under this article.

(17) RETIREMENT ALLOWANCE. The sum of the annuity and the pension.

(18) RETIREMENT SYSTEM. The Employees' Retirement System of Alabama as defined in Section 36-27-2."

Section 2. This act shall become effective on October 1, 2026.