

1 HB463
2 116977-2
3 By Representative Gaston
4 RFD: Education Policy
5 First Read: 28-JAN-10

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8 SYNOPSIS: Under existing law, the Teachers'
9 Retirement System (TRS) and the Employees'
10 Retirement System (ERS) are reopened, from time to
11 time, to allow members to purchase credit in the
12 system for prior service.

13 This bill would reopen the TRS and ERS to
14 allow certain members to purchase prior service
15 credit in the system for prior employment service
16 as a student assistant or work/study student at a
17 public college or university in Alabama.

18
19 A BILL
20 TO BE ENTITLED
21 AN ACT
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23 To reopen the Teachers' Retirement System and the
24 Employees' Retirement System for purchase of certain prior
25 service credit in the system by an active and contributing
26 member who was employed as a student assistant or work/study
27 student at a public college or university in Alabama.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. (a) Any active and contributing member of
3 the Teachers' Retirement System or the Employees' Retirement
4 System who has 10 years of credible service in either system
5 may claim and purchase service credit in the system for prior
6 service for employment as a student assistant or work/study
7 student at a public college or university in Alabama if the
8 employment occurred between January 1, 1973, and December 31,
9 1975, and if the member complies with the conditions
10 prescribed in subsection (b).

11 (b) Any member eligible to claim and purchase the
12 service credit pursuant to subsection (a) shall be awarded
13 credible service with the Teachers' Retirement System or
14 Employees' Retirement System on the basis of one twelfth of a
15 year for each month or portion of month of employment service
16 only if the member pays into the retirement system or fund
17 prior to the date of retirement of the member and prior to
18 October 1, 2011, a sum equal to the full actuarially
19 determined cost for each year, or a portion thereof, of
20 service credit, as determined by the system's actuary.

21 (c) Proof of service and time of service shall be
22 made by the member by affidavit with any supporting letter or
23 other documentation submitted to the Teachers' Retirement
24 System or Employees' Retirement System and, upon receipt
25 thereof, the system shall promptly calculate the necessary
26 contributions of the member and advise the member thereof.

1 Upon timely payment by the member, the service credit shall be
2 allowed the member.

3 (d) The provisions of this section shall terminate
4 on October 1, 2011, and no person shall be eligible to utilize
5 the options granted if not fully exercised and paid prior to
6 such date.

7 Section 2. Any year of service purchased under the
8 provisions of this act shall not be considered in determining
9 the out-of-pocket premium amount charged to retirees under the
10 provisions of Section 16-25A-8.1 or Section 36-29-19.7, Code
11 of Alabama 1975. Also, any service purchased under this act
12 shall not entitle a member to be eligible for benefits under
13 either the Public Education Employees' Health Insurance Plan
14 or the State Employees' Health Insurance Plan any earlier than
15 the member could have reached eligibility under the plan
16 without the service purchased under the provisions of this
17 act.

18 Section 3. This act shall become effective
19 immediately following its passage and approval by the
20 Governor, or its otherwise becoming law.