

1 HB255  
2 137151-5  
3 By Representatives Love, Hill and Barton  
4 RFD: Ways and Means General Fund  
5 First Read: 09-FEB-12



1 cases of doubt the Board of Control shall determine who is an  
2 employee within the meaning of this article. The term shall  
3 include any regular employee of the Alabama state hospitals  
4 and Partlow State School and Hospital and the Alabama State  
5 Port Authority, however paid.

6 "(3) EMPLOYER. The State of Alabama or any  
7 department, commission, institution, or any other agency of  
8 and within the state by which an employee is paid, including  
9 employers as provided in Section 36-27-6.

10 "(4) MEMBER. Any employee included in the membership  
11 of the system as provided in Section 36-27-4.

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

14 "(6) MEDICAL BOARD. The board of physicians provided  
15 for in Section 36-27-23.

16 "(7) SERVICE. Service as an employee paid for by an  
17 employer.

18 "(8) PRIOR SERVICE. Service rendered prior to the  
19 date of establishment of the retirement system for which  
20 credit is allowable under Section 36-27-11.

21 "(9) MEMBERSHIP SERVICE. Service as an employee  
22 rendered while a member of the retirement system and on  
23 account of which contributions are made.

24 "(10) CREDITABLE SERVICE. "Prior service" plus  
25 "membership service" rendered since last becoming a member.

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

4           "(12) REGULAR INTEREST. Interest compounded annually  
5 at the rate determined by the Board of Control in accordance  
6 with subsection (f) of Section 36-27-25.

7           "(13) ACCUMULATED CONTRIBUTIONS. The sum of all the  
8 amounts deducted from the compensation of a member credited to  
9 his or her individual account in the Annuity Savings Fund,  
10 together with regular interest thereon, as provided in Section  
11 36-27-24.

12           "(14) EARNABLE COMPENSATION. a. The full rate of  
13 compensation that would be payable to an employee if he or she  
14 worked the full normal work-time. In cases where compensation  
15 includes maintenance, the Board of Control shall fix the value  
16 of that part of the compensation not paid in money. Earnable  
17 compensation shall not exceed the limitations imposed by  
18 Section 401(a) (17) of the Internal Revenue Code for public  
19 pension funds, except that any employee who was a member of  
20 the Employees' Retirement System before the first plan year  
21 beginning after December 31, 1995, shall not be subject to the  
22 earning limitations set forth in Section 401(a) (17).

23           "b. The term earnable compensation for retirement  
24 purposes shall include overtime payments that are made to an  
25 employee; however, earnable compensation shall not exceed 125%  
26 of any employees' annual base compensation as certified by the  
27 employer.

1           "(15) AVERAGE FINAL COMPENSATION. The average annual  
2           compensation of an employee, with respect to which he or she  
3           had made contributions pursuant to subsection (b) of Section  
4           36-27-24 during the three years, in his or her last 10 years  
5           of creditable service for which the average is highest or  
6           during his or her entire period of creditable service if less  
7           than three years; except, that for any period prior to  
8           November 1, 1959, the compensation used in computing the  
9           average shall include compensation in excess of the maximum  
10          amount with respect to which members were required to  
11          contribute.

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

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

18          "(18) RETIREMENT ALLOWANCE. The sum of the "annuity"  
19          and the "pension."

20          "(19) RETIREMENT. Withdrawal from active service  
21          with a retirement allowance or optional benefit in lieu  
22          thereof granted under this article.

23          "(20) ANNUITY RESERVE. The present value of all  
24          payments to be made on account of any annuity or benefit in  
25          lieu of any annuity computed upon the basis of the mortality  
26          tables adopted by the Board of Control and regular interest.

1           "(21) PENSION RESERVE. The present value of all  
2 payments to be made on account of any pension or benefit in  
3 lieu of any pension computed upon the basis of the mortality  
4 tables adopted by the Board of Control and regular interest.

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

8           "(23) STATE POLICEMAN. An employee in the classified  
9 service under the Merit System Act approved by the State  
10 Personnel Board to perform the duties of highway patrolman or  
11 a beverage control agent or a crime investigator. The term  
12 shall not include a member employed as a policeman under  
13 Section 36-27-6."

14           Section 2. This act shall be effective immediately  
15 upon its passage and approval by the Governor, or its  
16 otherwise becoming law.

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House of Representatives

Read for the first time and re-  
ferred to the House of Representa-  
tives committee on Ways and Means  
General Fund..... . . . . 09-FEB-12

Read for the second time and placed  
on the calendar with 1 substitute  
and..... . . . . 16-FEB-12

Read for the third time and passed  
as amended..... . . . . 28-FEB-12

Yeas 101, Nays 1, Abstains 0

Greg Pappas  
Clerk