

1 HB287
2 156498-1
3 By Representatives Wren, Polizos, Beckman, Beech, Wallace,
4 Merrill, Johnson (R), England, Coleman-Evans, Robinson (O),
5 Scott, Rogers, Moore (M), Williams (D), Roberts, Morrow
6 and Greeson
7 RFD: Ways and Means General Fund
8 First Read: 16-JAN-14

2
3
4
5
6
7
8 SYNOPSIS: This bill would provide a cost-of-living
9 increase to certain retirees and beneficiaries
10 under the Employees' Retirement System for the
11 fiscal year beginning October 1, 2014.

12
13 A BILL
14 TO BE ENTITLED
15 AN ACT

16
17 To provide a cost-of-living increase to certain
18 retirees and beneficiaries under the Employees' Retirement
19 System for the fiscal year beginning October 1, 2014.

20 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

21 Section 1. (a) Commencing October 1, 2014, each
22 person, except those whose employer participated in the
23 Employees' Retirement System pursuant to Sections 36-27-6,
24 36-27-7, and 36-27-7.1, Code of Alabama 1975, whose effective
25 date of retirement for purposes of receiving benefits from the
26 Employees' Retirement System is prior to October 1, 2013, and
27 who is receiving or is entitled to receive a monthly allowance

1 from the Employees' Retirement System, shall receive a
2 cost-of-living increase of five percent in their gross monthly
3 benefit.

4 (b) Beneficiaries of deceased members or deceased
5 retirees, except where the deceased member or deceased retiree
6 retired from an employer participating in the Employees'
7 Retirement System pursuant to Sections 36-27-6, 36-27-7, and
8 36-27-7.1, Code of Alabama 1975, if the date of death for the
9 deceased member, or the effective date of retirement for the
10 deceased retiree for purposes of receiving benefits from the
11 Employees' Retirement System, was prior to October 1, 2013,
12 shall receive a cost-of-living increase of five percent in
13 their gross monthly benefit.

14 Section 2. (a) Commencing October 1, 2014, each
15 person whose employer participated in the Employees'
16 Retirement System pursuant to Section 36-27-6, Code of Alabama
17 1975, whose effective date of retirement for purposes of
18 receiving benefits from the Employees' Retirement System is
19 prior to October 1, 2013, and who is receiving or is entitled
20 to receive a monthly allowance from the Employees' Retirement
21 System, may receive a cost-of-living increase determined by
22 the provisions used in Section 1 of this act, if the employer
23 elects to come under this act. Any employer making the
24 election to come under the act shall bear the cost of the
25 cost-of-living increases paid to its employees pursuant to
26 this section. Any employer participating under Section
27 36-27-6, Code of Alabama 1975, may elect to come under this

1 act at any time and have the act become effective on October
2 1, 2014, or on October 1 of any subsequent fiscal year, and
3 the employer shall not be required to pay his or her
4 cost-of-living increase retroactively unless the employer
5 elects to fund the increase.

6 (b) If the employer elects to come under this act,
7 beneficiaries of deceased members or deceased retirees retired
8 from an employer participating in the Employees' Retirement
9 System pursuant to Section 36-27-6, Code of Alabama 1975,
10 shall receive the same cost-of-living increase provided in
11 Section 1 of this act.

12 Section 3. Commencing October 1, 2014, each person
13 whose employer participated in the Employees' Retirement
14 System pursuant to Sections 36-27-7 and 36-27-7.1, Code of
15 Alabama 1975, whose effective date of retirement for purposes
16 of receiving benefits from the Employees' Retirement System is
17 prior to October 1, 2013, and who is receiving a monthly
18 allowance or is eligible to receive a monthly allowance from
19 the Employees' Retirement System, shall receive a
20 cost-of-living increase as described in Section 1 of this act.
21 Beneficiaries of deceased members or deceased retirees of
22 employers participating in the Employees' Retirement System
23 pursuant to Sections 36-27-7 and 36-27-7.1, Code of Alabama
24 1975, shall receive a cost-of-living increase of five percent
25 in their gross monthly benefit.

26 Section 4. The Board of Control of the Employees'
27 Retirement System shall determine annually the amount required

1 to pay the cost of the increased allowance provided under the
2 provisions of this act, and shall notify the chief fiscal
3 officer of each employer of the per centum rates of earnable
4 compensation of the members required to be paid to the
5 retirement system. Each employer of members of the Employees'
6 Retirement System shall pay on account of the increases
7 provided under the provisions of this act in the same manner
8 and from the same source of funds as provided in Sections
9 36-27-7 and 36-27-24, Code of Alabama 1975, it being the
10 intent of the Legislature that the cost of providing the
11 increases under the provisions of this act shall be determined
12 from all funds in proportion to the salaries paid therefrom
13 for active members.

14 Section 5. (a) Commencing October 1, 2014, any
15 retired employee who retired from a city, town, county, or
16 public or quasi-public organization of the state before the
17 city, town, county, or public or quasi-public organization of
18 the state became a member of the Employees' Retirement System,
19 and who is receiving a monthly benefit prior to October 1,
20 2013, administered by the Employees' Retirement System may
21 receive an increase in benefits of five percent, provided the
22 retired employee retired prior to October 1, 2013, and the
23 employer decides to come under the provisions of this act and
24 fund the increase.

25 (b) Commencing October 1, 2014, beneficiaries of
26 Employees' Retirement System pensioners shall receive an
27 increase of five percent of their gross monthly benefit,

1 provided the date of death for the deceased pensioner, or the
2 effective date of retirement for the deceased pensioner, was
3 prior to October 1, 2013, and the local units elect to fund
4 the increase.

5 Section 6. Commencing October 1, 2014, any pensioner
6 or annuitant who retired prior to October 1, 2013, from a
7 city, town, county, or public or quasi-public organization of
8 the state before the city, town, county, or public or
9 quasi-public organization of the state became a member of the
10 Employees' Retirement System and is receiving a monthly
11 benefit not administered by the Employees' Retirement System
12 shall receive an increase of five percent of their gross
13 monthly benefit, provided the city, town, county, or public or
14 quasi-public organization of the state elects to fund and pay
15 the increase.

16 Section 7. The Board of Control of the Employees'
17 Retirement System shall make all reasonable efforts to notify
18 any employer who participated in the Employees' Retirement
19 System and has withdrawn from participation by the effective
20 date of this act that the cost-of-living increase provided for
21 under the provisions of this act is available to their
22 retirees and beneficiaries provided the employer elects to
23 fund the increase.

24 Section 8. Commencing October 1, 2014, there is
25 provided a cost-of-living adjustment (COLA) of five percent of
26 the current gross benefit to certain persons identified in
27 this section who are currently receiving benefits whose

1 effective date of retirement was prior to October 1, 2013, for
2 purposes of receiving benefits from the Employees' Retirement
3 System, and to certain beneficiaries of deceased members and
4 deceased retirees who are currently receiving survivor
5 benefits if the effective date of retirement or death for the
6 deceased member or retiree was prior to October 1, 2013, for
7 purposes of receiving benefits from the Employees' Retirement
8 System. The benefits provided in this section are limited to
9 those retirees whose participation in the Employees'
10 Retirement System was based on Section 36-27-6, Code of
11 Alabama 1975, and whose employer at the time of retirement was
12 a local board of education or a state-supported institution of
13 higher education. The benefits granted in this section shall
14 not apply to any other participants in the Employees'
15 Retirement System.

16 Section 9. Any person who received benefits under
17 the Medicaid Program and whose eligibility for Medicaid
18 benefits would be impaired by the cost-of-living increase
19 provided to retirees and beneficiaries by this act shall not
20 be entitled to receive the aforementioned increase. Any person
21 who subsequently applies for benefits under the Medicaid
22 Program and that person's eligibility to receive benefits is
23 impaired by the cost-of-living increase provided to retirees
24 and beneficiaries by this act shall not be entitled to receive
25 the increase subsequent to the date that the member files
26 application for benefits under the Medicaid Program.

1 Section 10. All laws or parts of laws which conflict
2 with this act are repealed.

3 Section 11. The provisions of this act are
4 severable. If any part of this act is declared invalid or
5 unconstitutional, that declaration shall not affect the part
6 which remains.

7 Section 12. This act shall become effective
8 immediately following its passage and approval by the
9 Governor, or its otherwise becoming law.