

1 SB448
2 154772-2
3 By Senators Shelnutt and Orr
4 RFD: Finance and Taxation General Fund
5 First Read: 05-MAY-15

2
3
4
5
6
7
8 SYNOPSIS: This bill amends current law regarding
9 employer contributions for judicial retirement for
10 probate judges and places the responsibility for
11 such contributions on the several counties.

12 Amendment 621 of the Constitution of Alabama
13 of 1901, now appearing as Section 111.05 of the
14 Official Recompilation of the Constitution of
15 Alabama of 1901, as amended, prohibits a general
16 law whose purpose or effect would be to require a
17 new or increased expenditure of local funds from
18 becoming effective with regard to a local
19 governmental entity without enactment by a 2/3 vote
20 unless: it comes within one of a number of
21 specified exceptions; it is approved by the
22 affected entity; or the Legislature appropriates
23 funds, or provides a local source of revenue, to
24 the entity for the purpose. The purpose or effect
25 of this bill would be to require a new or increased
26 expenditure of local funds within the meaning of
27 Amendment 621, now appearing as Section 111.05 of

1 the Official Recompilation of the Constitution of
2 Alabama of 1901, as amended.

3 If this bill is not enacted by a two-thirds
4 vote, it will not become effective with regard to a
5 local entity or until, and only as long as, the
6 Legislature appropriates funds or provides for a
7 local source of revenue.

8
9 A BILL
10 TO BE ENTITLED
11 AN ACT

12
13 To amend Code of Alabama 1975, Sections 12-18-1 and
14 12-18-3 relating to judicial retirement; to amend Section
15 12-18-82 relating to probate judges retirement contributions
16 to provide that the employer contribution is to be paid by the
17 several counties; and in connection therewith would have as
18 its purpose or effect the requirement of a new or increased
19 expenditure of local funds within the meaning of Amendment 621
20 of the Constitution of Alabama of 1901, now appearing as
21 Section 111.05 of the Official Recompilation of the
22 Constitution of Alabama of 1901, as amended.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. Sections 12-18-1, 12-18-3, and 12-18-82,
25 Code of Alabama 1975, are hereby amended to read as follows:

26 "§12-18-1.

1 (a) There is hereby created and established a
2 continuing fund to be known as the Judicial Retirement Fund.

3 (b) The fund shall be made up from contributions
4 from justices of the Supreme Court, supernumerary justices of
5 the Supreme Court, judges of the Court of Civil Appeals,
6 judges of the Court of Criminal Appeals, judges and
7 supernumerary judges of the circuit courts of the state,
8 district judges and probate judges and from a yearly sum to be
9 paid into such fund from the General Fund in the State
10 Treasury in such amount as shall be sufficient to carry out
11 the provisions of this chapter, except as provided in Section
12 12-18-82.

13 "§12-18-3.

14 The Legislature from time to time shall appropriate
15 sufficient moneys out of the General Fund of the State
16 Treasury to sufficiently provide for the provisions of this
17 chapter, except as provided in Section 12-18-82. The amount
18 paid from the General Fund into the Judicial Retirement Fund
19 annually shall not be less than the yearly contributions paid
20 by all members.

21 Should the Legislature fail to appropriate moneys or
22 sufficient moneys for the Judicial Retirement Fund, then the
23 contributions from the state out of the General Fund to be
24 paid into the Judicial Retirement Fund shall be paid out of
25 moneys appropriated to the account designated for salaries of
26 supernumerary justices and judges; provided, however, that

1 such payments shall not adversely affect the amounts paid to
2 any supernumerary justice or judge.

3 "§12-18-82.

4 (a) Judges on fees. After October 1, 1976, each
5 probate judge compensated by fees who elects to come under the
6 provisions of Article 1 of this chapter or who comes under the
7 provisions of Article 1 of this chapter by operation of law
8 shall contribute to the Judicial Retirement Fund annually,
9 payable in equal monthly installments, four and one-half
10 percent of a sum, hereinafter referred to as the "base sum,"
11 that is, 90 percent of the annual state compensation now
12 authorized by law to be paid to circuit judges in Alabama;
13 provided, that, after February 1, 1977, the rate of
14 contribution to be paid by such judge shall be six percent of
15 his salary derived from the State of Alabama, but such
16 increased rate of contribution shall not be effective until
17 February 1, 1977. For all pay dates beginning on or after
18 October 1, 2011, the contribution to be paid by the judges
19 shall be eight and one-quarter percent (8.25%) of their
20 salary. For all pay dates beginning on or after October 1,
21 2012, the rate of contribution to be paid by the judges shall
22 be eight and one-half percent (8.5%) of their salary. The base
23 sum shall be adjusted up or down in accordance with and equal
24 to future changes that are made in the state compensation of
25 such circuit judges. Such percentage shall be paid by each
26 such probate judge into the Judicial Retirement Fund in the

1 State Treasury and credited to the individual account of the
2 probate judge from whose fees it was paid.

3 (b) Judges on salary. After October 1, 1976, each
4 probate judge compensated by salary who elects to come under
5 the provisions of Article 1 of this chapter or who comes under
6 the provisions of Article 1 of this chapter by operation of
7 law shall contribute to the Judicial Retirement Fund annually,
8 payable in equal monthly installments, four and one-half
9 percent of his salary; provided, that, after February 1, 1977,
10 the rate of contribution to be paid by such judge shall be six
11 percent of his salary derived from the State of Alabama, but
12 such increased rate of contribution shall not be effective
13 until February 1, 1977. For all pay dates beginning on or
14 after October 1, 2011, the contribution to be paid by the
15 judges shall be eight and one-quarter percent (8.25%) of their
16 salary. For all pay dates beginning on or after October 1,
17 2012, the rate of contribution to be paid by the judges shall
18 be eight and one-half percent (8.5%) of their salary. Such
19 percentage shall be paid into the Judicial Retirement Fund in
20 the State Treasury and credited to the individual account of
21 the probate judge from whose salary it was deducted.

22 (c) Beginning October 1, 2015, on account of each
23 probate judge there shall be paid monthly by each employer
24 county an amount equal to a certain percentage of the salary
25 of each probate judge to be known as the "normal contribution"
26 and an additional amount equal to a percentage of his or her
27 salary to be known as the "accrued liability contribution,"

1 along with an amount equal to a certain percentage of the
2 salary of each probate judge for the administrative expenses
3 of the Judicial Retirement Fund, and these amounts shall be
4 paid monthly into the Judicial Retirement Fund. The percentage
5 rate of such contributions shall be determined by the actuary
6 for the Judicial Retirement Fund each fiscal year. The
7 contributions for each probate judge shall be reported to the
8 Judicial Retirement Fund in a format prescribed by the
9 Judicial Retirement Fund.

10 Section 2. The act shall become effective on the
11 first day of the third month following its passage and
12 approval by the Governor, or its otherwise becoming law.