

1 HB512
2 176070-2
3 By Representatives Fridy, South, Williams (P), Weaver,
4 Williams (JD), Rich, Pettus, Williams (JW), Butler, Henry,
5 Ainsworth, Mooney, Moore (B), Greer, Carns, Drake, Holmes (M)
6 and Lee
7 RFD: State Government
8 First Read: 07-APR-16

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8 SYNOPSIS: This bill would prohibit officers and
9 employees of the Alabama Education Association,
10 Alabama High School Athletic Association, Alabama
11 Association of School Boards, Alabama Council for
12 School Administration and Supervision, Alabama
13 Vocational Association, Alabama Congress of Parents
14 and Teachers, Alabama Opportunities
15 Industrialization Center, Developing Alabama Youth
16 Foundation, Tennessee Valley Rehabilitation Center,
17 Inc., American Federation of Teachers, School
18 Superintendents of Alabama, Alabama Higher
19 Education Partnership, Inc., Alabama State
20 Employees' Association, Alabama Retired State
21 Employees' Association, State Employees' Credit
22 Union, and certain community action agencies, hired
23 on or after January 1, 2017, and any elected local
24 superintendent of education elected to office on or
25 after January 1, 2017, from participating in the
26 Teachers' Retirement System and the Public
27 Education Employees' Health Insurance Plan.

1 This bill would also prohibit any person
2 hired on or after January 1, 2017, who is not
3 employed in a permanent full-time capacity with the
4 state, from participating in the Teachers'
5 Retirement System of Alabama, the Public Education
6 Employees' Health Insurance Plan, or any health
7 insurance program governed and administered by the
8 State Employees' Insurance Board.

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10 A BILL
11 TO BE ENTITLED
12 AN ACT

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14 To amend Sections 16-25-1, 16-25-10.1, 16-25-10.2,
15 16-25-10.3, 16-25-10.4, 16-25-10.5, 16-25-10.6, 16-25-10.7,
16 16-25-10.8, 16-25-10.9, 16-25-10.10, 16-25-10.11, 16-25-10.12,
17 16-25-32, 16-25A-11, and 36-29-14, Code of Alabama 1975,
18 relating to the Teachers' Retirement System and the Public
19 Education Employees' Health Insurance Plan, to prohibit any
20 officer or employee of the Alabama Education Association,
21 Alabama High School Athletic Association, Alabama Association
22 of School Boards, Alabama Council for School Administration
23 and Supervision, Alabama Vocational Association, Alabama
24 Congress of Parents and Teachers, Alabama Opportunities
25 Industrialization Center, Developing Alabama Youth Foundation,
26 Tennessee Valley Rehabilitation Center, Inc., American
27 Federation of Teachers, School Superintendents of Alabama,

1 Alabama Higher Education Partnership, Inc., Alabama State
2 Employees' Association, Alabama Retired State Employees'
3 Association, State Employees' Credit Union, and certain
4 community action agencies, hired on or after January 1, 2017,
5 and any elected local superintendent of education elected to
6 office on or after January 1, 2017, from participating in the
7 system and the plan; and to prohibit any person hired on or
8 after January 1, 2017, who is not employed in a permanent
9 full-time capacity with the state, from participating in the
10 Teachers' Retirement System of Alabama, the Public Education
11 Employees' Health Insurance Plan, or any health insurance
12 program governed and administered by the State Employees'
13 Insurance Board.

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

15 Section 1. Sections 16-25-1, 16-25-10.1, 16-25-10.2,
16 16-25-10.3, 16-25-10.4, 16-25-10.5, 16-25-10.6, 16-25-10.7,
17 16-25-10.8, 16-25-10.9, 16-25-10.10, 16-25-10.11, 16-25-10.12,
18 16-25-32, 16-25A-11, and 36-29-14 of the Code of Alabama 1975,
19 are amended to read as follows:

20 "§16-25-1.

21 "For the purposes of this chapter the following
22 terms, unless a different meaning is plainly required by the
23 context, shall have the following respective meanings:

24 "(1) RETIREMENT SYSTEM. The Teachers' Retirement
25 System of Alabama as defined in Section 16-25-2.

26 "(2) PUBLIC SCHOOL. Any day school conducted within
27 the state under the authority and supervision of a duly

1 elected or appointed county or city board of education and any
2 educational institution supported by and under the control of
3 the state or any private nondenominational school operated
4 nonprofit for the education of children of school age residing
5 within a district where no public school is available for the
6 children.

7 "(3) TEACHER. Any teacher, principal,
8 superintendent, supervisor, college professor, administrative
9 officer, or clerk employed in any public school or public
10 college within the state or employed in any private
11 nondenominational school operated nonprofit for the education
12 of children of school age residing within a district where no
13 public school is available for the children or any similar
14 employee or officer of the Department of Education ~~or of the~~
15 ~~Alabama Education Association,~~ or any attendance worker 50
16 percent or more of whose salary is paid from public school
17 funds or any employee receiving a regular stated compensation
18 from the retirement system. In all cases of doubt, the Board
19 of Control shall determine whether any person is a teacher as
20 defined in this chapter. An employee or officer of the Alabama
21 Education Association who is serving in that position before
22 January 1, 2017, is considered a teacher for purposes of this
23 chapter. An employee or officer of the Alabama Education
24 Association who begins serving in that position on or after
25 January 1, 2017, is not a teacher for purposes of this
26 chapter.

1 "(4) SUPPORT PERSONNEL or EMPLOYEE. Any maid,
2 custodian, adult bus driver, lunchroom or cafeteria worker,
3 secretary, clerk, clerical assistant, maintenance worker, or
4 other non-certificated employee who works an average of 20
5 hours weekly.

6 "(5) EMPLOYER. The State of Alabama, the county
7 school board, the city school board, the State Board of
8 Education, or any governing body of any private
9 nondenominational school operated nonprofit for education of
10 children of school age residing within a district where no
11 public school is available for the children or any other
12 agency of and within the state by which a teacher is paid.

13 "(6) MEMBER. Any teacher included in the membership
14 of the system as provided in Section 16-25-3.

15 "(7) BOARD OF CONTROL. The board provided for in
16 Section 16-25-19 to administer the retirement system.

17 "(8) MEDICAL BOARD. The board of physicians provided
18 for in Section 16-25-19.

19 "(9) TRUSTEES. The members of the Board of Control
20 to administer the trust funds.

21 "(10) SERVICE. Service as a teacher.

22 "(11) PRIOR SERVICE. Service rendered prior to the
23 date of establishment of the retirement system for which
24 credit is allowable under Section 16-25-11.

25 "(12) MEMBERSHIP SERVICE. Service as a teacher
26 rendered while a member of the retirement system and on
27 account of which contributions are made.

1 "(13) CREDITABLE SERVICE. "Prior service" plus
2 "membership service" rendered since last becoming a member.

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

6 "(15) REGULAR INTEREST. Interest compounded annually
7 at the rate determined by the Board of Control in accordance
8 with subsection (b) of Section 16-25-20.

9 "(16) ACCUMULATED CONTRIBUTIONS. The sum of all the
10 amounts deducted from the compensation of a member and
11 credited to his or her individual account in the annuity
12 savings fund together with regular interest thereon as
13 provided in Section 16-25-21.

14 "(17) EARNABLE COMPENSATION. The full rate of the
15 compensation that would be payable to a teacher if he or she
16 worked the full normal working time. In cases where
17 compensation includes maintenance, the Board of Control shall
18 fix the value of that part of the compensation not paid in
19 money. Earnable compensation shall not exceed the limitations
20 imposed by Section 401(a) (17) of the Internal Revenue Code for
21 public pension funds except that any employee who was a member
22 of the Teachers' Retirement System before the first plan year
23 beginning after December 31, 1995, shall not be subject to the
24 earning limitations set forth in Section 401(a) (17). For Tier
25 I plan members, the term earnable compensation for retirement
26 purposes shall include overtime payments that are made to a
27 member; however, earnable compensation shall not exceed 120

1 percent of any member's annual base compensation as certified
2 by the employer. For Tier II plan members, earnable
3 compensation shall include overtime payments that are made to
4 the member but shall not include subsistence payments that are
5 made to the member and shall not exceed one hundred
6 twenty-five percent (125%) of the member's annual base
7 compensation, as certified by the employer.

8 "(18) AVERAGE FINAL COMPENSATION. For any Tier I
9 Plan member, the average annual compensation of a teacher,
10 with respect to which he or she has made contributions
11 pursuant to paragraph b. of subdivision (1) of Section
12 16-25-21 during the three years in his or her last 10 years of
13 creditable service for which the average is highest or during
14 his or her entire period of creditable service if less than
15 three years; except, that for any period prior to October 1,
16 1959, the compensation used in computing the average shall
17 include compensation in excess of the maximum amount with
18 respect to which members were required to contribute. For any
19 Tier II Plan member, the average annual compensation of the
20 member, with respect to which he or she has made contributions
21 pursuant to paragraph b. of subdivision (1) of Section
22 16-25-21 during the five years in his or her last ten years of
23 creditable service for which the average is highest or during
24 his or her entire period of creditable service if less than
25 five years.

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

4 "(20) PENSION. Payments for life derived from money
5 provided by the employer. All pensions shall be payable in
6 equal monthly installments.

7 "(21) RETIREMENT ALLOWANCE. The sum of the "annuity"
8 and the "pension."

9 "(22) RETIREMENT. Withdrawal from active service
10 with a retirement allowance or optional benefit in lieu
11 thereof granted under this chapter.

12 "(23) ANNUITY RESERVE. The present value of all
13 payments to be made on account of any annuity or benefit in
14 lieu of any annuity, computed upon the basis of the mortality
15 tables as shall be adopted by the Board of Control, and
16 regular interest.

17 "(24) PENSION RESERVE. The present value of all
18 payments to be made on account of any pension or benefit in
19 lieu of any pension, computed upon the basis of the mortality
20 tables as shall be adopted by the Board of Control, and
21 regular interest.

22 "(25) ACTUARIAL EQUIVALENT. A benefit of equal
23 value, when computed upon the basis of the mortality tables as
24 shall be adopted by the Board of Control, and regular
25 interest.

26 "(26) NORMAL CONTRIBUTION. The contributions of the
27 state necessary to provide a pension equal to the annuity

1 which the member's contribution made prior to age 65 with
2 interest will provide at age of retirement not to exceed 65.

3 "(27) TIER I PLAN. The defined benefit pension plan
4 provided by the Retirement System to Tier I plan members.

5 "(28) TIER II PLAN. The defined benefit pension plan
6 provided by the Retirement System to Tier II plan members.

7 "(29) TIER I PLAN MEMBER. Any member of the
8 Retirement System who had service for which he or she received
9 credit in the Teachers' Retirement System or in the Employees'
10 Retirement System prior to January 1, 2013.

11 "(30) TIER II PLAN MEMBER. Any member of the
12 Retirement System who first began eligible employment with a
13 Teachers' Retirement System or an Employees' Retirement System
14 participating employer on or after January 1, 2013, and who
15 had no eligible service in the Teachers' Retirement System or
16 the Employees' Retirement System prior to January 1, 2013.

17 "§16-25-7.

18 ~~"(a) All persons now employed on a full-time basis
19 in an administrative or clerical capacity by the Alabama High
20 School Athletic Association, may become members of the
21 Teachers' Retirement System of Alabama within 90 days after
22 October 1, 1967, subject to such rules and regulations as may
23 be promulgated by the Board of Control of the Teachers'
24 Retirement System of Alabama. Any person hereafter employed in
25 an administrative or clerical capacity by the Alabama High
26 School Athletic Association shall be deemed to be a "teacher"
27 as defined in Section 16-25-1 and shall be entitled to the~~

1 ~~benefits thereof. Notwithstanding the provisions of this~~
2 ~~section and other sections of the Teachers' Retirement System~~
3 ~~law, it is provided that the~~ The Alabama High School Athletic
4 Association shall pay to the retirement system the employer
5 cost for coverage of its employees who began participating in
6 the Teachers' Retirement System before January 1, 2017, such
7 cost to be determined by an actuary employed by the Board of
8 Control and under rules and regulations established by ~~said~~
9 the board.

10 " (b) Any person ~~now~~ employed by the Alabama High
11 School Athletic Association and participating in the Teachers'
12 Retirement System pursuant to ~~as set out in~~ subsection (a) ~~of~~
13 ~~this section shall be entitled to~~ may receive credit for all
14 service as a "teacher" or as an employee of the Alabama High
15 School Athletic Association rendered by him or her prior to
16 October 1, 1967; provided, that a sum equal to the total
17 contributions which he or she would have made as a member
18 during the period of such employment plus regular interest at
19 four percent is paid within 90 days after October 1, 1967.

20 "(c) No employee of the Alabama High School Athletic
21 Association hired on or after January 1, 2017, may participate
22 in the Teachers' Retirement System based upon that employment.

23 "§16-25-10.1.

24 "(a) ~~The~~ Before January 1, 2017, the governing body
25 of the Alabama Association of School Boards ~~may,~~ by resolution
26 legally adopted to conform to the rules prescribed by the
27 Board of Control of the Teachers' Retirement System, may elect

1 to have its executive officers and employees, from whatever
2 source and in whatever manner paid, become eligible to
3 participate in the Teachers' Retirement System of Alabama,
4 subject to all rules, regulations, and conditions thereof.

5 "(b) The governing body of the Alabama Association
6 of School Boards having made an election through a resolution
7 as provided in subsection (a) ~~of this section~~, its employees
8 and executive officers employed before January 1, 2017, may
9 participate in and be entitled to all benefits of the
10 Teachers' Retirement System of Alabama; provided, that where
11 member contributions are made from salaries paid by the
12 Alabama Association of School Boards, the Alabama Association
13 of School Boards shall pay the employer costs calculated as a
14 percentage of the salaries of those employees to be
15 contributed as employer in accordance with subdivisions (3)
16 and (5) of Section 16-25-21. ~~Such~~ The amounts shall be paid
17 monthly and at the same time as the member contributions are
18 made to the Teachers' Retirement System.

19 "(c) The governing body of the Alabama Association
20 of School Boards may provide in its resolution to the
21 Teachers' Retirement System's Board of Control that all
22 service rendered by an eligible employee or executive officer
23 to ~~said~~ the association previous to the effective date of ~~said~~
24 the association's election to come under the Teachers'
25 Retirement System shall be creditable service to ~~such~~ the
26 employee or executive officer; provided, that any such
27 provision shall apply only to those employees and officers who

1 were in the active service of the association on the effective
2 date of ~~said~~ the association's election to be covered under
3 the Teachers' Retirement System; provided further, that the
4 ~~said~~ resolution shall also state that the Alabama Association
5 of School Boards shall assume and pay, as required, all costs
6 necessary to fund the crediting of ~~such~~ the previous service,
7 ~~such~~ with costs to be determined by the actuary employed by
8 the Teachers' Retirement System's Board of Control.

9 "(d) No executive officer or employee of the Alabama
10 Association of School Boards hired on or after January 1,
11 2017, may participate in the Teachers' Retirement System based
12 upon that employment.

13 "§16-25-10.2.

14 "(a) ~~The~~ Before January 1, 2017, the governing body
15 of the Alabama Council for School Administration and
16 Supervision ~~may~~, by resolution legally adopted to conform to
17 the rules prescribed by the Board of Control of the Teachers'
18 Retirement System, may elect to have its executive officers
19 and employees, from whatever source and in whatever manner
20 paid, become eligible to participate in the Teachers'
21 Retirement System of Alabama, subject to all rules,
22 regulations, and conditions thereof.

23 "(b) The governing body of the Alabama Council for
24 School Administration and Supervision having made an election
25 through a resolution as provided in subsection (a) ~~of this~~
26 ~~section~~, its employees and executive officers employed before
27 January 1, 2017, may participate in and be entitled to all

1 benefits of the Teachers' Retirement System of Alabama;
2 provided, that where contributions are made from salaries paid
3 by the Alabama Council for School Administration and
4 Supervision, the Council for School Administration and
5 Supervision shall pay the employer costs, calculated as a
6 percentage of the salaries of those employees, to be
7 contributed as employer in accordance with Section 16-25-21.
8 ~~Such~~ The amounts shall be paid monthly and at the same time as
9 the members' contributions are made to the Teachers'
10 Retirement System.

11 " (c) (1) The governing body of the Alabama Council
12 for School Administration and Supervision may provide in its
13 resolution to the Teachers' Retirement System's Board of
14 Control that all service rendered, by an eligible employee or
15 executive officer, to ~~said~~ the council, previous to the
16 effective date of ~~said~~ the council's election to come under
17 the Teachers' Retirement System, shall be creditable service
18 to ~~such~~ the employee or executive officer; provided, that any
19 such provision shall apply only to those employees and
20 officers who were in the active service of the council on the
21 effective date of ~~said~~ the council's election to be covered
22 under the Teachers' Retirement System; and provided further,
23 that the ~~said~~ resolution also states that the Alabama Council
24 for School Administration and Supervision shall assume and
25 pay, as required, all costs necessary to fund the crediting of
26 such previous service, ~~such~~ the costs to be determined by the

1 actuary employed by the Teachers' Retirement System's Board of
2 Control.

3 "(2) All benefits that accrue and are payable to any
4 beneficiary hereunder shall be limited to and shall not exceed
5 the amount paid in by the beneficiary and the employer plus
6 his or her portion of the interest earned and the enhancement
7 of his or her moneys by investing them, less the cost of
8 administration, at no cost to the State of Alabama.

9 "(d) No executive officer or employee of the Alabama
10 Council for School Administration and Supervision hired on or
11 after January 1, 2017, may participate in the Teachers'
12 Retirement System based upon that employment.

13 "§16-25-10.3.

14 "(a) ~~The~~ Before January 1, 2017, the governing body
15 of the Alabama Vocational Association ~~may~~, by resolution
16 legally adopted to conform to the rules prescribed by the
17 Board of Control of the Teachers' Retirement System, may elect
18 to have its executive officers and employees, from whatever
19 source and in whatever manner paid, become eligible to
20 participate in the Teachers' Retirement System of Alabama,
21 subject to all rules, regulations, and conditions thereof.

22 "(b) The governing body of the Alabama Vocational
23 Association having made an election through a resolution as
24 provided in subsection (a) ~~of this section~~, its employees and
25 executive officers employed before January 1, 2017, may
26 participate in and be entitled to all benefits of the
27 Teachers' Retirement System of Alabama, provided that where

1 contributions are made from salaries paid by the Alabama
2 Vocational Association, the Alabama Vocational Association
3 shall pay the employer costs, calculated as a percentage of
4 the salaries of those employees, to be contributed as employer
5 in accordance with Section 16-25-21. ~~Such~~ The amounts shall be
6 paid monthly and at the same time as the members'
7 contributions are made to the Teachers' Retirement System.

8 "(c) The governing body of the Alabama Vocational
9 Association may provide in its resolution to the Teachers'
10 Retirement System's Board of Control that all service
11 rendered, by an eligible employee or executive officer, to
12 ~~said the~~ the association, previous to the effective date of ~~said~~
13 the association's election to come under the Teachers'
14 Retirement System, shall be creditable service to ~~such the~~
15 employee or executive officer; provided that any such
16 provision shall apply only to those employees and officers who
17 were in the active service of the association on the effective
18 date of ~~said the~~ the association's election to be covered under
19 the Teachers' Retirement System; and provided further that the
20 ~~said~~ resolution also states that the Alabama Vocational
21 Association shall assume and pay, as required, all costs
22 necessary to fund the crediting of such previous service, ~~such~~
23 the costs to be determined by the actuary employed by the
24 Teachers' Retirement System's Board of Control.

25 "(d) No executive officer or employee of the Alabama
26 Vocational Association hired on or after January 1, 2017, may

1 participate in the Teachers' Retirement System based upon that
2 employment.

3 "§16-25-10.4.

4 "(a) ~~The~~ Before January 1, 2017, the governing board
5 of the Alabama Congress of Parents and Teachers ~~may~~, by
6 resolution legally adopted to conform to the rules prescribed
7 by the Board of Control of the Teachers' Retirement System,
8 may elect to have its executive officers and employees, from
9 whatever source and in whatever manner paid, become eligible
10 to participate in the Teachers' Retirement System of Alabama,
11 subject to all rules, regulations, and conditions thereof.

12 "(b) The governing body of the Alabama Congress of
13 Parents and Teachers, having made an election through a
14 resolution as provided in subsection (a), its employees and
15 executive officers employed before January 1, 2017, may
16 participate in and be entitled to all benefits of the
17 Teachers' Retirement System of Alabama, provided that where
18 contributions are made from salaries paid by the Alabama
19 Congress of Parents and Teachers, the association shall pay
20 the employer costs calculated as a percentage of the salaries
21 of those employees, to be contributed as employer costs in
22 accordance with subdivisions (3) and (5) of Section 16-25-21.
23 ~~Such~~ The amounts shall be paid monthly and at the same time as
24 the members' contributions are made to the Teachers'
25 Retirement System.

26 "(c) The governing body of the Alabama Congress of
27 Parents and Teachers may provide in its resolution to the

1 Teachers' Retirement System's Board of Control that all
2 service rendered, by an eligible employee or executive
3 officer, to ~~said~~ the association, previous to the effective
4 date of ~~said~~ the association's election to come under the
5 Teachers' Retirement System, shall be creditable service to
6 ~~such~~ the employee or executive officer; provided that any such
7 provision shall apply only to those employees and officers who
8 were in the active service of the association on the effective
9 date of ~~said~~ the association's election to be covered under
10 the Teachers' Retirement System; and provided further that the
11 ~~said~~ resolution also states that the Alabama Congress of
12 Parents and Teachers, l, shall assume and pay, as required, all
13 costs necessary to fund the crediting of such previous
14 service, ~~such~~ the costs to be determined by the actuary
15 employed by the Teachers' Retirement System's Board of
16 Control.

17 "(d) No executive officer or employee of the Alabama
18 Congress of Parents and Teachers hired on or after January 1,
19 2017, may participate in the Teachers' Retirement System based
20 upon that employment.

21 "§16-25-10.5.

22 "(a) ~~The~~ Before January 1, 2017, the governing board
23 of the Alabama Opportunities Industrialization Center ~~may~~, by
24 resolution legally adopted to conform to the rules prescribed
25 by the Board of Control of the Teachers' Retirement System,
26 may elect to have its executive officers and employees, from
27 whatever source and in whatever manner paid, become eligible

1 to participate in the Teachers' Retirement System of Alabama,
2 subject to all rules, regulations, and conditions thereof.

3 "(b) The governing body of the Alabama Opportunities
4 Industrialization Center, having made an election through a
5 resolution as provided in subsection (a), its employees and
6 executive officers employed before January 1, 2017, may
7 participate in and be entitled to all benefits of the
8 Teachers' Retirement System of Alabama, provided that where
9 contributions are made from salaries paid by the Alabama
10 Opportunities Industrialization Center, the center shall pay
11 the employer costs calculated as a percentage of the salaries
12 of those employees, to be contributed as employer costs in
13 accordance with subdivisions (3) and (5) of Section 16-25-21.
14 ~~Such~~ The amounts shall be paid monthly and at the same time as
15 the members' contributions are made to the Teachers'
16 Retirement System.

17 "(c) The governing body of the Alabama Opportunities
18 Industrialization Center may provide in its resolution to the
19 Teachers' Retirement System's Board of Control that all
20 service rendered, by an eligible employee or executive
21 officer, to ~~said~~ the center, previous to the effective date of
22 ~~said~~ the center's election to come under the Teachers'
23 Retirement System, shall be creditable service to ~~such~~ the
24 employee or executive officer; provided that any such
25 provision shall apply only to those employees and officers who
26 were in the active service of the center on the effective date
27 of ~~said~~ the association's election to be covered under the

1 Teachers' Retirement System; and provided further that the
2 ~~said~~ resolution also states that the Alabama Opportunities
3 Industrialization Center, shall assume and pay, as required,
4 all costs necessary to fund the crediting of such previous
5 service, ~~such~~ the costs to be determined by the actuary
6 employed by the Teachers' Retirement System's Board of
7 Control.

8 "(d) No executive officer or employee of the Alabama
9 Opportunities Industrialization Center hired on or after
10 January 1, 2017, may participate in the Teachers' Retirement
11 System based upon that employment.

12 "§16-25-10.6.

13 "(a) Any person now serving as an elected
14 superintendent of education in this state before January 1,
15 2017, may become a member of the Teachers' Retirement System
16 of Alabama within 90 days after the ratification of an
17 amendment to the Constitution of Alabama 1901 allowing elected
18 superintendents of education to participate in the Teachers'
19 Retirement System, subject to ~~such~~ rules and regulations as
20 may be promulgated by the Board of Control of ~~said~~ the system.
21 Any person ~~hereafter~~ elected to serve as superintendent of
22 education before January 1, 2017, shall be deemed to be a
23 "teacher" as defined in Section 16-25-1 and shall be entitled
24 to the benefits thereof. The employer cost for coverage of
25 ~~such~~ elected superintendents shall be paid as for other school
26 employees. Provided further, that ~~such~~ elected superintendents
27 shall be entitled to purchase prior service credit as a

1 teacher or superintendent in ~~such~~ the system under such rules,
2 regulations, and provisions of law that govern the purchase of
3 ~~such~~ prior service credit, from time to time, by teachers.

4 "(b) No person elected to serve as a local
5 superintendent of education in this state on or after January
6 1, 2017, may participate in the Teachers' Retirement System
7 based upon that elected position.

8 "§16-25-10.7.

9 "(a) ~~Any~~ Before January 1, 2017, any governing body
10 of any community action agency organized pursuant to Sections
11 11-80-4.1, 11-96-3, or 11-96-6, ~~may~~ by resolution legally
12 adopted to conform to the rules prescribed by the Board of
13 Control of the Teachers' Retirement System, may elect to have
14 its executive officers and employees from whatever source and
15 in whatever manner paid become eligible to participate in the
16 Teachers' Retirement System of Alabama subject to all rules,
17 regulations, and conditions thereof.

18 "(b) The governing body of any community action
19 agency eligible under subsection (a) ~~of this section~~ and
20 having made an election by resolution as provided therein, its
21 employees and executive officers employed before January 1,
22 2017, may participate in and be entitled to all benefits of
23 the Teachers' Retirement System of Alabama, provided that
24 where contributions are made from salaries paid by a community
25 action agency the agency shall pay the employer cost
26 calculated as a percentage of the salaries of those employees
27 to be contributed as employer cost in accordance with

1 subdivisions (3) and (5) of Section 16-25-21. ~~Such~~ The amounts
2 shall be paid monthly and at the same time as the member's
3 contributions are made to the Teachers' Retirement System.

4 "(c) The governing body of a community action agency
5 eligible under subsection (a) ~~of this section~~ may provide in
6 its resolution to the Teachers' Retirement System's Board of
7 Control that all service rendered by an eligible employee or
8 executive officer to ~~said~~ the agency previous to the effective
9 date of ~~said~~ the agency's election to come under the Teachers'
10 Retirement System shall be creditable service to ~~such~~ the
11 employee or executive officer, provided that any such
12 provision shall apply only to those employees and officers who
13 were in the active service of the agency on the effective date
14 of ~~said~~ the agency's election to be covered under the
15 Teachers' Retirement System, and provided further that the
16 ~~said~~ resolution also states that the agency shall assume and
17 pay as required all costs necessary to fund the crediting of
18 such previous service, ~~such~~ the costs to be determined by the
19 actuary employed by the Teachers' Retirement System's Board of
20 Control.

21 "(d) No executive officer or employee of a community
22 action agency hired on or after January 1, 2017, may
23 participate in the Teachers' Retirement System based upon that
24 employment.

25 "§16-25-10.8.

26 "(a) ~~The~~ Before January 1, 2017, the governing body
27 of the Developing Alabama Youth Foundation ~~may~~, by resolution

1 legally adopted to conform to the rules prescribed by the
2 Board of Control of the Teachers' Retirement System, may elect
3 to have its executive officers and full-time employees, from
4 whatever source and in whatever manner paid, become eligible
5 to participate in the Teachers' Retirement System of Alabama,
6 subject to all rules, regulations, and conditions thereof.

7 "(b) The governing body of the Developing Alabama
8 Youth Foundation, having made an election through a resolution
9 as provided in subsection (a), its employees and executive
10 officers employed before January 1, 2017, may participate in
11 and be entitled to all benefits of the Teachers' Retirement
12 System of Alabama; provided, that where contributions are made
13 from salaries paid by the Developing Alabama Youth Foundation,
14 the Developing Alabama Youth Foundation shall pay the employer
15 cost, calculated as a percentage of the salaries of those
16 employees, to be contributed as employer contributions in
17 accordance with Section 16-25-21. ~~Such~~ The amount shall be
18 paid monthly and at the same time as the members'
19 contributions are made to the Teachers' Retirement System.

20 "(c) The governing body of the Developing Alabama
21 Youth Foundation may provide in its resolution to the
22 Teachers' Retirement System's Board of Control that all
23 service rendered by an eligible employee or executive officer
24 to ~~said~~ the foundation, previous to the effective date of ~~said~~
25 the foundation's election to come under the Teachers'
26 Retirement System, shall be creditable service to ~~such~~ the
27 employee or executive officer; provided, that any such

1 provision shall apply only to those employees and officers who
2 were in the active service of the foundation on the effective
3 date of ~~said~~ the foundation's election to be covered under the
4 Teachers' Retirement System; and provided further, that the
5 ~~said~~ resolution also states that the Developing Alabama Youth
6 Foundation shall assume and pay, as required, all costs
7 necessary to fund the crediting of such previous service, ~~such~~
8 the costs to be determined by the actuary employed by the
9 Teachers' Retirement System Board of Control. All benefits
10 that accrue and are payable to any beneficiary hereunder shall
11 be limited to, and shall not exceed, the amount paid in by the
12 beneficiary and the employer plus his or her portion of the
13 interest earned and the enhancement of his or her moneys by
14 investing them, less cost of administration, at no cost to the
15 State of Alabama.

16 "(d) No executive officer or employee of the
17 Developing Alabama Youth Foundation hired on or after January
18 1, 2017, may participate in the Teachers' Retirement System
19 based upon that employment.

20 "§16-25-10.9.

21 "(a) This section shall apply only to the employees
22 and executive staff members of the Tennessee Valley
23 Rehabilitation Center, Inc., who were active and contributing
24 members of the Teachers' Retirement System on August 1, 1994,
25 through John C. Calhoun Community College.

26 "(b) ~~The~~ Before January 1, 2017, the Board of
27 Directors of the Tennessee Valley Rehabilitation Center, Inc.,

1 ~~may,~~ by resolution legally adopted to conform to the rules
2 prescribed by the Board of Control of the Teachers' Retirement
3 System, may elect to have the full-time employees and
4 executive staff members as defined in subsection (a), from
5 whatever source and in whatever manner paid, become eligible
6 to participate in the Teachers' Retirement System, subject to
7 all rules, regulations, and conditions of the system.

8 "(c) When an election is made to join the Teachers'
9 Retirement System pursuant to subsection (b), the full-time
10 employees and executive staff members of the Tennessee Valley
11 Rehabilitation Center, Inc., as defined in subsection (a) and
12 employed before January 1, 2017, may participate in and be
13 entitled to all benefits of the Teachers' Retirement System,
14 provided that where contributions are made from salaries paid
15 to the employees and staff members by the Tennessee Valley
16 Rehabilitation Center, Inc., the employer costs as a
17 percentage of the aforementioned salaries are contributed by
18 the center as the employer to the Teachers' Retirement System
19 in accordance with Section 16-25-21. The employer
20 contributions shall be paid monthly to the system at the same
21 time as the contributions of the members are made to the
22 system.

23 "(d) The resolution for membership in the Teachers'
24 Retirement System adopted pursuant to subsection (b) may also
25 include a provision for all service rendered by an eligible
26 employee or executive staff member from September 1, 1994, to
27 the effective date of the election of the Tennessee Valley

1 Rehabilitation Center, Inc., to participate in the system to
2 be creditable service for the full-time employee or executive
3 staff member in the system. Such a provision shall apply only
4 to the full-time employees and executive staff members of the
5 center who are in the active service of the center on the
6 effective date of the election of the group to be covered
7 under the system, and the resolution shall also state that the
8 center, as the employer, shall assume and pay all costs
9 required to fund the credit for the prior service in the
10 amount for the costs as determined by the actuary employed by
11 the board of control of the system.

12 "(e) No employee or executive staff member of the
13 Tennessee Valley Rehabilitation Center, Inc., hired on or
14 after January 1, 2017, may participate in the Teachers'
15 Retirement System based upon that employment.

16 "§16-25-10.10.

17 "(a) ~~The~~ Before January 1, 2017, the governing body
18 of any local union or state organization of the American
19 Federation of Teachers ~~may~~, by resolution legally adopted to
20 conform to the rules prescribed by the Board of Control of the
21 Teachers' Retirement System, may elect to have its officers
22 and employees, from whatever source and in whatever manner
23 paid, become eligible to participate in the Teachers'
24 Retirement System subject to all rules, regulations, and
25 conditions thereof.

26 "(b) The governing body of any local union or state
27 organization of the American Federation of Teachers eligible

1 under subsection (a) to participate in the system, and having
2 made an election by resolution to participate, may have its
3 employees and officers employed before January 1, 2017,
4 participate in, and be entitled to, all benefits of the
5 Teachers' Retirement System, provided that where contributions
6 are made from salaries paid by a local union or state
7 organization of the American Federation of Teachers, the local
8 union or state organization shall pay the employer cost in
9 accordance with Section 16-25-21, at the same time as the
10 member's contributions are paid to the Teachers' Retirement
11 System.

12 "(c) The governing body of any local union or state
13 organization of the American Federation of Teachers eligible
14 under subsection (a) to participate in the system, may provide
15 in its resolution to the Board of Control of the Teachers'
16 Retirement System that all service rendered by an eligible
17 employee or officer to the local union or state organization
18 of the American Federation of Teachers prior to the effective
19 date of the election of the local union or state organization
20 to come under the Teachers' Retirement System shall be
21 creditable service to the employee or officer, provided that
22 such a provision in the resolution shall apply only to the
23 local union or state organization of the American Federation
24 of Teachers on the effective date of the election of the local
25 union or state organization to be covered under the Teachers'
26 Retirement System. The resolution also shall state that the
27 local union or state organization of the American Federation

1 of Teachers shall assume, and pay as required, all costs
2 necessary to fund the crediting of the prior service, with the
3 costs to be determined by the actuary employed by the Board of
4 Control of the Teachers' Retirement System.

5 "(d) The provisions of this section may not apply to
6 any person who is not a teacher.

7 "(e) No officer or employee of a local union or
8 state organization of the American Federation of Teachers
9 hired on or after January 1, 2017, may participate in the
10 Teachers' Retirement System based upon that employment.

11 "§16-25-10.11.

12 "(a) ~~The~~ Before January 1, 2017, the governing body
13 of the School Superintendents of Alabama, by resolution
14 legally adopted to conform to the rules prescribed by the
15 Board of Control of the Teachers' Retirement System, may elect
16 to have its executive officers and employees, from whatever
17 source and in whatever manner paid, continue eligibility to
18 participate in the Teachers' Retirement System of Alabama,
19 subject to all rules, regulations, and conditions thereof.

20 "(b) The governing body of the School
21 Superintendents of Alabama having made an election through a
22 resolution as provided in subsection (a), its employees and
23 executive officers employed before January 1, 2017, may
24 continue to participate in and be entitled to all benefits of
25 the Teachers' Retirement System of Alabama. Where
26 contributions are made from salaries paid by the School
27 Superintendents of Alabama, the School Superintendents of

1 Alabama shall pay the employer costs, calculated as a
2 percentage of the salaries of those employees, to be
3 contributed as employer in accordance with Section 16-25-21.
4 ~~Such~~ The amounts shall be paid monthly and at the same time as
5 the members' contributions are made to the Teachers'
6 Retirement System.

7 "(c) All benefits that accrue and are payable to any
8 beneficiary under this section shall be limited to and shall
9 not exceed the amount paid in by the beneficiary and the
10 employer plus his or her portion of the interest earned and
11 the enhancement of his or her moneys by investing them, less
12 the cost of administration, at no cost to the State of
13 Alabama.

14 "(d) All executive officers and employees of the
15 School Superintendents of Alabama now covered in the Teachers'
16 Retirement System of Alabama under Section 16-25-10.2,
17 pursuant to affiliation with the Alabama Council for School
18 Administration or its successor organization, the Council for
19 Leaders in Alabama Schools, may continue to be enrolled in the
20 Teachers' Retirement System of Alabama by their employer, the
21 School Superintendents of Alabama, with all credits as have
22 been established in the Teachers' Retirement System of
23 Alabama.

24 "(e) No executive officer or employee of the School
25 Superintendents of Alabama hired on or after January 1, 2017,
26 may participate in the Teachers' Retirement System based upon
27 that employment.

1 "§16-25-10.12.

2 "(a) ~~The~~ Before January 1, 2017, the governing body
3 of the Alabama Higher Education Partnership, Inc., by
4 resolution legally adopted to conform to the rules prescribed
5 by the Board of Control of the Teachers' Retirement System,
6 may elect to have its officers and employees, from whatever
7 source and in whatever manner paid, become eligible to
8 participate in the Teachers' Retirement System subject to all
9 rules, regulations, and conditions thereof.

10 "(b) The governing body of the Alabama Higher
11 Education Partnership, Inc., having made an election by
12 resolution pursuant to subsection (a), may have its employees
13 and officers employed before January 1, 2017, participate in,
14 and be entitled to, all benefits of the Teachers' Retirement
15 System. Where contributions are made from salaries paid by the
16 Alabama Higher Education Partnership, Inc., the Alabama Higher
17 Education Partnership, Inc., shall pay the employer cost,
18 calculated as a percentage of the salaries of those employees,
19 to be contributed as employer contributions in accordance with
20 Section 16-25-21. ~~Such~~ The amount shall be paid monthly and at
21 the same time as the member's contributions are paid to the
22 Teachers' Retirement System.

23 "(c) The governing body of the Alabama Higher
24 Education Partnership, Inc., eligible under subsection (a) to
25 participate in the system, may provide in its resolution to
26 the Board of Control of the Teachers' Retirement System that
27 all service rendered by an eligible employee or officer to the

1 organization before the effective date of the election of the
2 organization to come under the Teachers' Retirement System
3 shall be creditable service to the employee or officer. Such a
4 provision in the resolution shall apply only to those
5 employees and officers who were in the active service of the
6 organization on the effective date of the election of the
7 organization to be covered under the Teachers' Retirement
8 System. The resolution shall also state that the organization
9 shall assume and pay, as required, all costs necessary to fund
10 the crediting of ~~such~~ the prior service, with the costs to be
11 determined by the actuary employed by the Board of Control of
12 the Teachers' Retirement System.

13 "(d) No officer or employee of the Alabama Higher
14 Education Partnership, Inc., hired on or after January 1,
15 2017, may participate in the Teachers' Retirement System based
16 upon that employment.

17 "§16-25-32.

18 "(a) ~~The~~ Before January 1, 2017, the governing body
19 of the Alabama State Employees' Association, the Alabama
20 Retired State Employees' Association, and the State Employees'
21 Credit Union may, by resolution legally adopted to conform to
22 the rules prescribed by the Board of Control of the Teachers'
23 Retirement System, may elect to have its executive officers
24 and full-time employees, from whatever source and in whatever
25 manner paid, become eligible to participate in the Teachers'
26 Retirement System of Alabama, subject to all rules,
27 regulations, and conditions thereof.

1 "(b) The governing body of the Alabama State
2 Employees' Association, the Alabama Retired State Employees'
3 Association, and the State Employees' Credit Union having made
4 an election through a resolution as provided in subsection (a)
5 ~~hereof~~, their employees and executive officers employed before
6 January 1, 2017, may participate in and be entitled to all
7 benefits of the Teachers' Retirement System of Alabama,
8 provided that where contributions are made from salaries paid
9 by the Alabama State Employees' Association, the Alabama
10 Retired State Employees' Association, and the State Employees'
11 Credit Union the entities shall pay the employer costs as a
12 percentage of the salaries of those employees, to be
13 contributed as employer in accordance with Section 16-25-21.
14 ~~Such~~ The amounts shall be paid monthly and at the same time as
15 the members' contributions are made to the Teachers'
16 Retirement System.

17 "(c) The governing body of the Alabama State
18 Employees' Association, the Alabama Retired State Employees'
19 Association, or the State Employees' Credit Union may provide
20 in its resolution to the Teachers' Retirement System Board of
21 Control that all service rendered by an eligible employee or
22 executive officer previous to the effective date of ~~said the~~ the
23 group's election to come under the Teachers' Retirement
24 System, shall be creditable service to ~~such the~~ the employee or
25 executive officer; provided, that any such provision shall
26 apply only to those employees and officers who were in the
27 active service of the group on the effective date of ~~said the~~ the

1 group's election to be covered under the Teachers' Retirement
2 System; and provided further, that the ~~said~~ resolution also
3 states that the Alabama State Employees' Association, the
4 Alabama Retired State Employees' Association, and the State
5 Employees' Credit Union shall assume and pay, as required, all
6 costs necessary to fund the crediting of such previous
7 service, ~~such~~ the costs to be determined by the actuary
8 employed by the Teachers' Retirement System Board of Control.

9 "(d) No executive officer or employee of the Alabama
10 State Employees' Association, the Alabama Retired State
11 Employees' Association, or the State Employees' Credit Union
12 hired on or after January 1, 2017, may participate in the
13 Teachers' Retirement System based upon that employment.

14 "§16-25A-11.

15 "(a) Any board, agency, organization, or association
16 which participates in the Teachers' Retirement System of
17 Alabama, but whose employees are not included in the
18 definition of employee in Section 16-25A-1 may, by resolution
19 legally adopted to conform to rules prescribed by the board
20 and upon a majority vote of its employees, may elect to have
21 its employees and under certain conditions its retired
22 employees covered by ~~the provisions of~~ this article, provided
23 such board, agency, organization, or association shall
24 contract to pay the full cost of coverage for each such
25 employee in the amounts set forth by the board and as defined
26 in Section 16-25A-1 for a full-time employee; participation,
27 once elected, is irrevocable. Each retired employee shall be

1 given the option to participate under ~~the provisions of~~
2 subsection (c) of Section 16-25A-8(e) provided any employer
3 electing to have its employees covered by this section, shall
4 contribute on account of each of its retired employees an
5 amount equal to any amount appropriated by the state to fund
6 benefits for retired employees. The board shall develop rules
7 and regulations governing the operation of this section which
8 shall contain but not be limited to entry and withdrawal from
9 the plan.

10 "(b) Subsection (a) to the contrary notwithstanding,
11 the members of the following entities may not elect to have
12 employees hired on or after January 1, 2017, or retired
13 employees who were not employed before January 1, 2017,
14 participate in the Public Employees Health Insurance Plan
15 pursuant to this chapter:

16 "(1) The Alabama Education Association.

17 "(2) The Alabama High School Athletic Association.

18 "(3) The Alabama Association of School Boards.

19 "(4) The Alabama Council for School Administration
20 and Supervision.

21 "(5) The Alabama Vocational Association.

22 "(6) The Alabama Congress of Parents and Teachers.

23 "(7) The Alabama Opportunities Industrialization
24 Center.

25 "(8) The Developing Alabama Youth Foundation.

26 "(9) The Tennessee Valley Rehabilitation Center,
27 Inc.

- 1 "(10) The American Federation of Teachers.
2 "(11) The School Superintendents of Alabama.
3 "(12) The Alabama Higher Education Partnership, Inc.
4 "(13) The Alabama State Employees' Association.
5 "(14) Any community action agency organized pursuant
6 to Section 11-80-4.1, 11-96-3, or 11-96-6.

7 "§36-29-14.

8 "(a) ~~Any~~ Before January 1, 2017, any agency of the
9 state, or any governmental entity, body, or subdivision
10 thereto, any county, any municipality, any municipal
11 foundation, any fire or water district, authority, or
12 cooperative, any regional planning and development commission
13 established pursuant to Sections 11-85-50 ~~through~~ to 11-85-73,
14 inclusive, that is not and was not for the 12 months
15 immediately preceding the date of application to participate
16 in any plan created pursuant to ~~the provisions of~~ this article
17 a member of an existing government sponsored health insurance
18 program, formed under ~~the provisions of~~ Section 11-26-2, the
19 Association of County Commissions of Alabama or the Alabama
20 League of Municipalities, the Alabama Retired State Employees'
21 Association, the Alabama State Employees Credit Union, Easter
22 Seals Alabama, Alabama State University, the Alabama Rural
23 Water Association, Rainbow Omega, Incorporated, The Arc of
24 Alabama, Incorporated, and any of the affiliated local
25 chapters of The Arc of Alabama, Incorporated, United Ways of
26 Alabama and its member United Ways, the Alabama Network of
27 Children's Advocacy Centers and its member Children's Advocacy

1 Centers, any railroad authority organized pursuant to Chapter
2 13, Title 37, or any solid waste disposal authority organized
3 pursuant to Chapter 89A, Title 11, by resolution legally
4 adopted to conform to rules prescribed by the State Employees'
5 Insurance Board, may elect to have its officers, members,
6 employees, and retired employees become eligible for health
7 insurance coverage under the State Employees' Insurance Board
8 without any liability to the state or the State Employees'
9 Health Insurance Plan.

10 "(b) Acceptance of the employees identified in
11 subsection (a) shall be optional with the State Employees'
12 Insurance Board.

13 "(c) Employees, officers, members, and retirees who
14 are eligible for health insurance pursuant to this section
15 shall be entitled to coverage and benefits as designated by
16 the State Employees' Insurance Board.

17 "(d) Any portion of the cost of the insurance
18 coverage as determined by the State Employees' Insurance Board
19 for the employees, officers, members, and retirees and their
20 dependents pursuant to this section may be paid by the
21 employer.

22 "(e) The chief fiscal officer of each employer shall
23 remit to the State Employees' Insurance Board the amount of
24 premiums required for employee and dependent coverage under
25 this section. The employer shall furnish the necessary
26 information to the State Employees' Insurance Board.

1 "(f) The agreement of any employer to have its
2 employees, officers, members, and retirees to be covered under
3 the health insurance plan provided by the State Employees'
4 Insurance Board may be revoked only by complying with the
5 following provisions:

6 "The employer, by resolution of the governing body,
7 shall signify its intention and desire to withdraw from such
8 plan in writing and by delivering a copy of such resolution by
9 certified mail to the State Employees' Insurance Board no
10 later than six months prior to the effective date of
11 withdrawal. Any employer that withdraws from participation in
12 such plan shall be responsible for paying its claims incurred
13 prior to the date of withdrawal, but not reported and paid
14 prior to the date of withdrawal. The withdrawing employer
15 shall also be liable for interest which will accrue at a rate
16 of one and one-half percent per month on any monies due to the
17 State Employees' Insurance Board which are over 30 days past
18 due. Any organization which provides or administers health
19 insurance benefits through the Local Government Health
20 Insurance Program shall not provide or administer health
21 insurance benefits to any entity which withdraws from the
22 Local Government Health Insurance Program for a period of two
23 years from the effective date of withdrawal.

24 "(g) The State Employees' Insurance Board shall
25 promulgate such rules and regulations as may be necessary for
26 the effective administration of the provisions of this
27 section.

1 "(h) In addition, the State Employees' Insurance
2 Board shall engage such actuarial and other special services
3 as shall be required to transact the business of the board.
4 The compensation of all persons engaged by the board, with the
5 exception of clerical employees who shall be employed under
6 the Merit System Act, and all other expenses of the board
7 necessary for the operation of the board shall be paid at such
8 rates and in such amounts as the board shall approve.

9 "(i) Subsection (a) to the contrary notwithstanding,
10 the officers, members, and employees of the Alabama Retired
11 State Employees' Association, the Association of County
12 Commissions of Alabama, the Alabama League of Municipalities,
13 Easter Seals Alabama, the Alabama Rural Water Association,
14 Rainbow Omega, Incorporated, The Arc of Alabama, Incorporated,
15 and any of the affiliated local chapters of The Arc of
16 Alabama, Incorporated, United Ways of Alabama and its member
17 United Ways, and the Alabama Network of Children's Advocacy
18 Centers and its member Children's Advocacy Centers, and the
19 Alabama State Employees' Credit Union may not elect to have
20 employees hired on or after January 1, 2017, or retired
21 employees who were not employed before January 1, 2017,
22 participate in the Public Employees Health Insurance Plan
23 pursuant to this article."

24 Section 2. No person hired on or after January 1,
25 2017, may participate in the Teachers' Retirement System of
26 Alabama, the Public Education Employees' Health Insurance
27 Plan, or any health insurance program governed and

1 administered by the State Employees' Insurance Board unless he
2 or she is employed in a permanent full-time capacity with the
3 state.

4 Section 3. This act shall become effective on the
5 first day of the third month following its passage and
6 approval by the Governor, or its otherwise becoming law.