

2  
3 DIAL SUBSTITUTE FOR SB215  
4  
5  
6  
7

8 SYNOPSIS: Under existing law, there is no provision  
9 for retirees receiving monthly benefits from the  
10 Employees' Retirement System to receive a funded  
11 one-time lump-sum addition to their retirement  
12 allowances.

13 This bill would provide such a payment to  
14 certain retirees under the Employees' Retirement  
15 System.  
16

17 A BILL  
18 TO BE ENTITLED  
19 AN ACT  
20

21 To provide for a funded one-time lump-sum addition  
22 to the retirement benefits of certain retirees of the  
23 Employees' Retirement System.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. (a) There is provided for fiscal year  
26 2018-2019 a funded one-time lump-sum payment, hereinafter  
27 referred to as lump-sum payment, to each person except those

1 whose employer participated in the Employees' Retirement  
2 System pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1,  
3 Code of Alabama 1975, whose effective date of retirement for  
4 purposes of receiving benefits from the Employees' Retirement  
5 System is prior to October 1, 2017, and who is receiving or is  
6 entitled to receive a monthly allowance from the Employees'  
7 Retirement System on September 30, 2018.

8 (b) The formula for calculating the lump-sum payment  
9 shall be one dollar (\$1) per month for each year of service  
10 attained by the retiree.

11 (c) Beneficiaries of deceased members or deceased  
12 retirees, except where the deceased member or deceased retiree  
13 retired from any employer participating in the Employee's  
14 Retirement System pursuant to Sections 32-27-6, 36-27-7, and  
15 36-27-7.1, Code of Alabama 1975, if the date of death for the  
16 deceased member, or the effective date of retirement for the  
17 deceased retiree for purposes of receiving benefits from the  
18 Employees' Retirement System prior to October 1, 2017, and if  
19 the beneficiary is receiving or is entitled to receive a  
20 monthly allowance from the Employees' Retirement System on  
21 September 30, 2018, shall receive a lump-sum payment.

22 (d) For purposes of this act, service includes the  
23 service under Section 36-27-1 and Section 36-27-170 et seq.,  
24 Code of Alabama 1975, as well as state police bonus credit or  
25 hazardous duty (FLC bonus) credit.

26 Section 2. Any person who received benefits under  
27 the Medicaid program and whose eligibility for Medicaid

1 benefits would be impaired by the lump-sum payment provided by  
2 this act shall not be entitled to receive the aforementioned  
3 increase. Any person who subsequently applies for benefits  
4 under the Medicaid program and that person's eligibility to  
5 receive benefits is impaired by the lump-sum payment provided  
6 by this act shall not be entitled to receive the increase  
7 subsequent to the date that the member files application for  
8 benefits under the Medicaid program.

9 Section 3. The Board of Control of the Employees'  
10 Retirement System shall determine the amount required to pay  
11 the cost of the lump-sum payments provided under this act and  
12 shall notify the chief fiscal officer of each employer of the  
13 increases in the employer rate required to be paid to the  
14 system. For the fiscal year beginning October 1, 2018 only,  
15 each employer shall pay the increase in the employer rate in  
16 the same manner and from the same source of funds as salaries  
17 of active members are paid.

18 Section 4. The lump-sum payments provided under this  
19 act shall be paid to all eligible recipients by the Employees'  
20 Retirement System in October 2018.

21 Section 5. This act shall become effective  
22 immediately following its passage and approval by the  
23 Governor, or its otherwise becoming law.