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3 HOUSE WAYS AND MEANS GENERAL FUND COMMITTEE SUBSTITUTE FOR  
4 HB440

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

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

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18 A BILL  
19 TO BE ENTITLED  
20 AN ACT

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

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. (a) There is provided for fiscal year  
27 2017-2018 a funded one-time lump-sum payment, hereinafter

1 referred to as lump-sum payment, to each person except those  
2 whose employer participated in the Employees' Retirement  
3 System pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1,  
4 Code of Alabama 1975, whose effective date of retirement for  
5 purposes of receiving benefits from the Employees' Retirement  
6 System is prior to May 1, 2018, and who is receiving or is  
7 entitled to receive a monthly allowance from the Employees'  
8 Retirement System on April 30, 2018.

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

12 (c) Beneficiaries of deceased members or deceased  
13 retirees, except where the deceased member or deceased retiree  
14 retired from any employer participating in the Employee's  
15 Retirement System pursuant to Sections 32-27-6, 36-27-7, and  
16 36-27-7.1, Code of Alabama 1975, if the date of death for the  
17 deceased member, or the effective date of retirement for the  
18 deceased retiree for purposes of receiving benefits from the  
19 Employees' Retirement System prior to May 1, 2018, and if the  
20 beneficiary is receiving or is entitled to receive a monthly  
21 allowance from the Employees' Retirement System on April 30,  
22 2018, shall receive a lump-sum payment.

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

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

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

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

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