

2  
3 CONFERENCE COMMITTEE SUBSTITUTE FOR SB111  
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 Relating to state retirement; to provide for a  
22 funded longevity bonus addition to the retirement benefits of  
23 certain retirees and beneficiaries of the Employees'  
24 Retirement System.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. (a) There is provided a funded one-time  
27 lump-sum payment, hereinafter referred to as longevity bonus,

1 to each person except those whose employer participated in the  
2 Employees' Retirement System pursuant to Sections 36-27-6,  
3 36-27-7, and 36-27-7.1, Code of Alabama 1975, whose effective  
4 date of retirement for purposes of receiving benefits from the  
5 Employees' Retirement System is prior to March 1, 2022, and  
6 who is receiving or is entitled to receive a monthly allowance  
7 from the Employees' Retirement System on March 30, 2022.

8 (b) The formula for calculating the longevity bonus  
9 shall be two dollars (\$2) 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 an employer participating in the Employees'  
14 Retirement System pursuant to Sections 36-27-6, 36-27-7, and  
15 36-27-7.1, Code of Alabama 1975, if the beneficiary is  
16 receiving or is entitled to receive a monthly allowance from  
17 the Employees' Retirement System on March 30, 2022, shall  
18 receive a bonus payment.

19 (d) For purposes of this act, service includes the  
20 service under Section 36-27-1 and Article 9, commencing with  
21 Section 36-27-170, of Chapter 27, Title 36, Code of Alabama  
22 1975, as well as state police bonus credit or hazardous duty  
23 (FLC bonus) credit.

24 Section 2. (a) Each person whose employer  
25 participated in the Employees' Retirement System pursuant to  
26 Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama  
27 1975, whose effective date of retirement for purposes of

1 receiving benefits from the Employees' Retirement System is  
2 prior to March 1, 2022, and who is receiving or is entitled to  
3 receive a monthly allowance from the Employees' Retirement  
4 System on September 30, 2022, shall receive the longevity  
5 bonus specified in subsections (a) and (b) of Section 1, if  
6 the employer elects to come under this act by official  
7 resolution on or before August 31, 2022. Any employer making  
8 the election to come under this act shall bear the cost of the  
9 longevity bonus paid to its retirees pursuant to this section.

10 (b) If the employer elects to come under this act,  
11 beneficiaries of deceased members or deceased retirees retired  
12 from an employer participating in the Employees' Retirement  
13 System pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1,  
14 Code of Alabama 1975, if the beneficiary is receiving or is  
15 eligible to receive a monthly allowance from the Employees'  
16 Retirement System on September 30, 2022, shall receive a bonus  
17 payment.

18 Section 3. (a) Any retired pensioner or annuitant  
19 who retired from a city, town, county, or public or  
20 quasi-public organization of the state before the city, town,  
21 county, or public or quasi-public organization of the state  
22 became a member of the Employees' Retirement System, and who  
23 is receiving or is entitled to receive a monthly allowance  
24 from the Employees' Retirement System on September 30, 2022,  
25 shall receive the longevity bonus stipulated in subsections  
26 (a) and (b) of Section 1, provided the employer elects to come  
27 under this act. Any employer making the election to come under

1 this act shall bear the cost of the longevity bonus paid to  
2 its retirees pursuant to this section and provide the  
3 Employees' Retirement System with the number of years of  
4 creditable service earned by each of its eligible annuitants  
5 and pensioners.

6 (b) Beneficiaries of Employees' Retirement System  
7 pensioners or annuitants described in subsection (a) shall  
8 receive a longevity bonus, provided the date of death for the  
9 deceased pensioner or annuitant, or the effective date of  
10 retirement for the deceased pensioner or annuitant, was prior  
11 to March 1, 2022, and the beneficiary is receiving or is  
12 entitled to receive a monthly allowance from the Employees'  
13 Retirement System on September 30, 2022, and the local unit  
14 elects to fund the longevity bonus and provides the Employees'  
15 Retirement System with the number of years of creditable  
16 service earned by each of its eligible annuitants and  
17 pensioners.

18 Section 4. Any person who received benefits under  
19 the Medicaid program and whose eligibility for Medicaid  
20 benefits would be impaired by the longevity bonus provided by  
21 this act shall not be entitled to receive the aforementioned  
22 increase. Any person who subsequently applies for benefits  
23 under the Medicaid program, and that person's eligibility to  
24 receive benefits is impaired by the longevity bonus provided  
25 by this act, shall not be entitled to receive the increase  
26 subsequent to the date that the member files application for  
27 benefits under the Medicaid program.

1           Section 5. The Board of Control of the Employees'  
2 Retirement System shall determine the amount required to pay  
3 the cost of the longevity bonus provided under this act and  
4 shall notify the chief fiscal officer of each employer of that  
5 cost. The employer shall either pay the full cost in a lump  
6 sum or, for the fiscal year beginning October 1, 2023, only,  
7 pay the increase in the employer rate in the same manner and  
8 from the same source of funds as salaries of active members  
9 are paid.

10           Section 6. (a) Unless otherwise provided in  
11 subsection (b), the longevity bonuses provided under this act  
12 shall be paid to all eligible recipients by the Employees'  
13 Retirement System in April 2022.

14           (b) For all eligible recipients whose employer  
15 participated in the Employees' Retirement System pursuant to  
16 Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama  
17 1975, the longevity bonuses provided under this act shall be  
18 paid by the Employees' Retirement System in October 2022.

19           Section 7. This act shall become effective  
20 immediately following its passage and approval by the  
21 Governor, or its otherwise becoming law.