

1 SB111
2 218004-2
3 By Senator Albritton
4 RFD: Finance and Taxation General Fund
5 First Read: 18-JAN-22

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

10
11 Relating to state retirement; to provide for a
12 funded longevity bonus addition to the retirement benefits of
13 certain retirees and beneficiaries of the Employees'
14 Retirement System.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. (a) There is provided a funded one-time
17 lump-sum payment, hereinafter referred to as longevity bonus,
18 to each person except those whose employer participated in the
19 Employees' Retirement System pursuant to Sections 36-27-6,
20 36-27-7, and 36-27-7.1, Code of Alabama 1975, whose effective
21 date of retirement for purposes of receiving benefits from the
22 Employees' Retirement System is prior to March 1, 2022, and
23 who is receiving or is entitled to receive a monthly allowance
24 from the Employees' Retirement System on March 30, 2022.

25 (b) The formula for calculating the longevity bonus
26 shall be two dollars (\$2) per month for each year of service
27 attained by the retiree.

1 (c) Beneficiaries of deceased members or deceased
2 retirees, except where the deceased member or deceased retiree
3 retired from an employer participating in the Employees'
4 Retirement System pursuant to Sections 36-27-6, 36-27-7, and
5 36-27-7.1, Code of Alabama 1975, if the beneficiary is
6 receiving or is entitled to receive a monthly allowance from
7 the Employees' Retirement System on March 30, 2022, shall
8 receive a bonus payment.

9 (d) For purposes of this act, service includes the
10 service under Section 36-27-1 and Article 9, commencing with
11 Section 36-27-170, of Chapter 27, Title 36, Code of Alabama
12 1975, as well as state police bonus credit or hazardous duty
13 (FLC bonus) credit.

14 Section 2. (a) Each person 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, whose effective date of retirement for purposes of
18 receiving benefits from the Employees' Retirement System is
19 prior to March 1, 2022, and who is receiving or is entitled to
20 receive a monthly allowance from the Employees' Retirement
21 System on September 30, 2022, shall receive the longevity
22 bonus specified in subsections (a) and (b) of Section 1, if
23 the employer elects to come under this act by official
24 resolution on or before August 31, 2022. Any employer making
25 the election to come under this act shall bear the cost of the
26 longevity bonus paid to its retirees pursuant to this section.

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

9 Section 3. (a) Any retired pensioner or annuitant
10 who retired from a city, town, county, or public or
11 quasi-public organization of the state before the city, town,
12 county, or public or quasi-public organization of the state
13 became a member of the Employees' Retirement System, and who
14 is receiving or is entitled to receive a monthly allowance
15 from the Employees' Retirement System on September 30, 2022,
16 shall receive the longevity bonus stipulated in subsections
17 (a) and (b) of Section 1, provided the employer elects to come
18 under this act. Any employer making the election to come under
19 this act shall bear the cost of the longevity bonus paid to
20 its retirees pursuant to this section and provide the
21 Employees' Retirement System with the number of years of
22 creditable service earned by each of its eligible annuitants
23 and pensioners.

24 (b) Beneficiaries of Employees' Retirement System
25 pensioners or annuitants described in subsection (a) shall
26 receive a longevity bonus of three hundred dollars (\$300),
27 provided the date of death for the deceased pensioner or

1 annuitant, or the effective date of retirement for the
2 deceased pensioner or annuitant, was prior to March 1, 2022,
3 and the beneficiary is receiving or is entitled to receive a
4 monthly allowance from the Employees' Retirement System on
5 September 30, 2022, and the local unit elects to fund the
6 longevity bonus and provides the Employees' Retirement System
7 with the number of years of creditable service earned by each
8 of its eligible annuitants and pensioners.

9 Section 4. Any person who received benefits under
10 the Medicaid program and whose eligibility for Medicaid
11 benefits would be impaired by the longevity bonus provided by
12 this act shall not be entitled to receive the aforementioned
13 increase. Any person who subsequently applies for benefits
14 under the Medicaid program, and that person's eligibility to
15 receive benefits is impaired by the longevity bonus provided
16 by this act, shall not be entitled to receive the increase
17 subsequent to the date that the member files application for
18 benefits under the Medicaid program.

19 Section 5. The Board of Control of the Employees'
20 Retirement System shall determine the amount required to pay
21 the cost of the longevity bonus provided under this act and
22 shall notify the chief fiscal officer of each employer of that
23 cost. The employer shall either pay the full cost in a lump
24 sum or, for the fiscal year beginning October 1, 2023, only,
25 pay the increase in the employer rate in the same manner and
26 from the same source of funds as salaries of active members
27 are paid.

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

5 (b) For all eligible recipients whose employer
6 participated in the Employees' Retirement System pursuant to
7 Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama
8 1975, the longevity bonuses provided under this act shall be
9 paid by the Employees' Retirement System in October 2022.

10 Section 7. This act shall become effective
11 immediately following its passage and approval by the
12 Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate committee on Finance and Taxation General Fund ...	18-JAN-22
Reported from Finance and Taxation General Fund as Favorable.....	03-FEB-22
Read for the third time and passed as amended	22-FEB-22

Patrick Harris,
Secretary.