

1 HB222
2 115807-1
3 By Representatives McCutcheon, Hill, Treadaway, Drake, Wood,
4 Ball, Ward, Morrow, Sanderford, Hammon, Beck, Mask and Moore
5 (P)
6 RFD: Government Appropriations
7 First Read: 12-JAN-10

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8 SYNOPSIS: Under existing law, there is no express
9 provision that would allow a full-time correctional
10 officer who is certified as a correctional officer
11 by the Alabama Peace Officers' Standards and
12 Training Commission and employed by the Department
13 of Corrections whose normal place of employment is
14 within a prison operated by the department to elect
15 to participate in the Deferred Retirement Option
16 Plan upon completion of at least 25 years of
17 membership service and attainment of at least 52
18 years of age.

19 The bill would allow a full-time
20 correctional officer who is certified as a
21 correctional officer by the Alabama Peace Officers'
22 Standards and Training Commission and employed by
23 the Department of Corrections whose normal place of
24 employment is within a prison operated by the
25 department to elect to participate in the Deferred
26 Retirement Option Plan upon completion of at least

1 25 years of membership service and attainment of at
2 least 52 years of age.

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4 A BILL
5 TO BE ENTITLED
6 AN ACT

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8 To amend Section 36-27-170, Code of Alabama 1975, to
9 allow a full-time correctional officer who is certified as a
10 correctional officer by the Alabama Peace Officers' Standards
11 and Training Commission and employed by the Department of
12 Corrections whose normal place of employment is within a
13 prison operated by the department to elect to participate in
14 the Deferred Retirement Option Plan upon completion of at
15 least 25 years of membership service and attainment of at
16 least 52 years of age.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

18 Section 1. Section 36-27-170, Code of Alabama 1975,
19 is amended to read as follows:

20 "§36-27-170.

21 "(a) As governed by this subsection, there exists as
22 a part of this retirement system, an optional account known as
23 the Deferred Retirement Option Plan, which may be cited as
24 "DROP." The purpose of DROP is to allow, contractually, in
25 lieu of immediate withdrawal from service and receipt of a
26 retirement allowance, continued employment for a specific
27 period of time, coupled with the deferral of receipt of a

1 retirement allowance until the end of such period of
2 participation, at which time the member shall withdraw from
3 service.

4 "(b) Participation in DROP is an option available to
5 any member of this retirement system who meets all of the
6 following:

7 "(1) Has at least 25 years of creditable service
8 exclusive of sick leave.

9 "(2) Is at least 55 years of age, or in the case of
10 a state police member, or a full-time correctional officer who
11 is certified as a correctional officer by the Alabama Peace
12 Officers' Standards and Training Commission and employed by
13 the Department of Corrections whose normal place of employment
14 is within a prison operated by the department is at least 52
15 years of age.

16 "(3) Is eligible for service retirement.

17 "(c) An election to participate in DROP may be made
18 in one year increments not to exceed five years, nor to be
19 less than three years. A member may participate in DROP only
20 one time. Any voluntary termination within the first three
21 years in DROP will result in a forfeiture of a portion of his
22 or her DROP account that constitutes the retirement allowance.
23 However, member contributions will not be forfeited nor will
24 any interest attributable to the retirement allowance. There
25 will be no forfeiture if the participation period is
26 interrupted due to an involuntary dismissal, disability,

1 involuntary transfer of his or her spouse, or death of the
2 participant.

3 "(d) A member who chooses to participate in DROP may
4 elect an option allowance set out for members of the
5 Employees' Retirement System in subsection (d) of Section
6 36-27-16 at the beginning of the participation period.
7 Otherwise, he or she shall receive the maximum benefit. Such
8 election shall be irrevocable once the participation period
9 begins except as otherwise provided in this chapter.

10 "(e) For purposes of DROP, sick leave may not be
11 converted for purposes of establishing retirement eligibility,
12 nor used in the calculation of the original retirement
13 allowance except as provided in Section 36-27-171. A person
14 electing to enter the DROP program is not eligible for a
15 lump-sum payment for any annual or sick leave until withdrawal
16 from service.

17 "(f) The election to participate in DROP shall be
18 made in accordance with procedures set forth in a uniform and
19 nondiscriminatory election and application form adopted by the
20 Board of Control. The election to participate in DROP may be
21 made at any time on or after the date the member becomes
22 eligible to participate as set out in subsection (b). Such
23 application must be made at least 30 days, but not more than
24 90 days, before the effective date of participation in DROP.

25 "(g) Upon the effective date of the commencement in
26 DROP, the member's service shall remain as it existed on that
27 date for the duration of DROP. Once a member enters DROP,

1 service credit purchases are prohibited. Both the employer and
2 employee member contribution shall continue to be made. The
3 monthly retirement allowance that would have been payable, had
4 the person elected to withdraw from service and receive a
5 retirement allowance, shall be paid into a DROP account that
6 reflects the credits attributed to the person in DROP.
7 However, the monies shall remain a part of the regular
8 retirement fund until disbursed to the participating member in
9 accordance with this section. Any monies paid into this
10 account are subject to the exemptions set out in Section
11 36-27-28.

12 "(h) The DROP account shall earn interest at the
13 same rate that interest is posted to active member accounts as
14 defined in subdivision (12) of Section 36-27-1. A person who
15 participates in this plan shall not be eligible to receive a
16 retiree cost-of-living increase while participating in DROP,
17 and shall not be eligible for a retiree cost-of-living
18 increase until participation in the plan ceases and he or she
19 withdraws from service and has been receiving a retirement
20 allowance for at least one full year.

21 "(i) DROP shall not be subject to any fees, charges,
22 or other similar expenses of any kind for any purpose.

23 "(j) Participation in DROP shall not affect the
24 rights of any state employee under the state personnel system,
25 including, but not limited to, his or her rights to longevity
26 pay.

1 "(k) Participation in DROP shall not affect the
2 accrual of annual and sick leave by the participant.

3 "(l) Participants in DROP may receive salary
4 cost-of-living adjustments and salary increases."

5 Section 2. This act shall become effective on the
6 first day of the third month following its passage and
7 approval by the Governor, or its otherwise becoming law.