

1 HB240  
2 127252-1  
3 By Representative Laird  
4 RFD: Ways and Means General Fund  
5 First Read: 10-MAR-11

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8 SYNOPSIS: Under existing law, the Teachers' Retirement  
9 System (TRS) and the Employees' Retirement System  
10 (ERS) are reopened, from time to time, to allow  
11 members to purchase credit in the system for prior  
12 service.

13 This bill would reopen the TRS and ERS to  
14 allow certain members to purchase prior service  
15 credit in the system for prior employment service  
16 as an employee with the United States Department of  
17 Agriculture Farm Service Agency.

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19 A BILL  
20 TO BE ENTITLED  
21 AN ACT  
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23 To reopen the Teachers' Retirement System and the  
24 Employees' Retirement System for purchase of certain prior  
25 service credit in the system by an active and contributing  
26 member who was employed as an employee with the United States  
27 Department of Agriculture Farm Service Agency.

1 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

2 Section 1. (a) Any active and contributing member of  
3 the Teachers' Retirement System or the Employees' Retirement  
4 System who has 10 years or more of credible service in either  
5 system may claim and purchase service credit in the system for  
6 prior service for employment as an employee with the United  
7 States Department of Agriculture Farm Service Agency if the  
8 employment occurred between August 1, 1987, and February 28,  
9 1998, and if the member complies with the conditions  
10 prescribed in subsection (b). No member shall receive credit  
11 for any service that the member is already credited with in  
12 the system or any other public retirement plan, with the  
13 exception of the federal Social Security program.

14 (b) Any member who is eligible to purchase service  
15 credit pursuant to subsection (a) shall pay to the  
16 Secretary-Treasurer of the system, within one year from the  
17 effective date of this act, the full actuarially determined  
18 cost for each year of claimed service as determined by the  
19 system's actuary.

20 Section 2. Any year of service purchased under the  
21 provisions of this act shall not be considered in determining  
22 the out-of-pocket premium amount charged to retirees under the  
23 provisions of Section 16-25A-8.1 or Section 36-29-19.7, Code  
24 of Alabama 1975. Also, any service purchased under this act  
25 shall not entitle a member to be eligible for benefits under  
26 either the Public Education Employees' Health Insurance Plan  
27 or the State Employees' Health Insurance Plan any earlier than

1 the member could have reached eligibility under the plan  
2 without the service purchased under the provisions of this  
3 act.

4 Section 3. This act shall become effective  
5 immediately following its passage and approval by the  
6 Governor, or its otherwise becoming law.