

1 HB381
2 138510-5
3 By Representatives McCutcheon, Hill, Morrow, Galliher, Baker,
4 Ball, Shiver, Mask, Faust, Brown and Williams (P)
5 RFD: Ways and Means General Fund
6 First Read: 21-FEB-12

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

ENROLLED, An Act,

To amend Section 36-29-19.7 of the Code of Alabama 1975, as amended by Act 2011-698 of the 2011 Regular Session, relating to the State Employees' Health Insurance Board retiree contribution based on years of service; to include the one year of hazardous duty time for every five years as a correctional officer awarded to each correctional officer under the Employees' Retirement System or the Teachers' Retirement System.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 36-29-19.7 of the Code of Alabama 1975, as amended by Act 2011-698 of the 2011 Regular Session, is amended to read as follows:

"§36-29-19.7.

"(a) The board shall set forth the employer contribution to the health insurance premium for each retiree class.

"(b) For employees who retire other than for disability after September 30, 2005, but before January 1, 2012, the employer contribution to the health insurance premium set forth by the board for each retiree class shall be reduced by two percent for each year of service less than 25 and increased by two percent for each year of service over 25, subject to adjustment by the board for changes in Medicare

1 premium costs required to be paid by a retiree. In no case
2 shall the employer contribution of the health insurance
3 premium exceed 100 percent of the total health insurance
4 premium cost for the retiree.

5 "(c) (1) Except as provided in subdivision (2), for
6 employees who retire after December 31, 2011, the employer
7 contribution to the health insurance premium set forth by the
8 board for each retiree class shall be reduced by four percent
9 for each year of creditable coverage less than 25 and
10 increased by two percent for each year of creditable coverage
11 over 25, subject to adjustment by the board for changes in
12 Medicare premium costs required to be paid by a retiree. In no
13 case shall the employer contribution of the health insurance
14 premium exceed 100 percent of the total health insurance
15 premium cost for the retiree.

16 (2) Employees who retire on disability after
17 December 31, 2011, and apply for Social Security Disability
18 shall be exempt from this subsection for a period of two years
19 and thereafter if the employee is approved for Social Security
20 Disability.

21 "(d) For employees who retire after December 31,
22 2011, who are not covered by Medicare, regardless of years of
23 coverage, the employer contribution to the health insurance
24 premium set forth by the board for each retiree class shall be
25 reduced by a percentage equal to one percent multiplied by the

1 difference between the Medicare entitlement age and the age of
2 the employee at the time of retirement as determined by the
3 board. This reduction in the employer contribution will cease
4 upon notification to the board of the attainment of Medicare
5 coverage.

6 "(e) No later than October 1, 2016, the net employer
7 contribution to the health insurance premium for employees who
8 retire after December 31, 2011, without Medicare coverage
9 shall not exceed the amount of the employer contribution to
10 cover the cost of an active employee.

11 "(f) For an employee who has elected to participate
12 in the Deferred Retirement Option Plan (DROP) as defined under
13 Sections 16-25-150 and 36-27-170, the date participant entered
14 DROP is his or her retirement date for purposes of Act
15 2011-698 only, provided that the DROP participant: (1) Does
16 not voluntarily terminate participation in DROP within the
17 first three years; and (2) withdraws from service at the end
18 of DROP participation period.

19 "(g) Notwithstanding the provisions of subsection
20 (a), the calculation of the employer contribution for
21 correction officers, retiring after December 31, 2012, shall
22 include credit for any hazardous duty time awarded under the
23 Employees' Retirement System or the Teachers' Retirement
24 System pursuant to subdivision (1) of subsection (b) of
25 Section 36-27-59, provided that the agency from which a

1 correctional officer retires shall reimburse the board for the
2 cost of any credited hazardous duty time under such terms and
3 conditions as determined by the board."

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17

Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 12-APR-12, as amended.

Greg Pappas
Clerk

Senate

08-MAY-12

Passed