

1 HB381
2 137097-1
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

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8 SYNOPSIS: Under existing law, the State Employees'
9 Health Insurance Board retiree contribution is
10 based on years of services and does not include the
11 Employees' Retirement System or the Teachers'
12 Retirement System awards to each correctional
13 officer who attains the requisite years of
14 creditable service or who otherwise qualifies for
15 service or disability retirement, one year of
16 hazardous duty time for every five years as a
17 correctional officer.

18 This bill would provide for such inclusion.

19
20 A BILL
21 TO BE ENTITLED
22 AN ACT
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24 To amend Section 36-29-19.7 of the Code of Alabama
25 1975, as amended by Act 2011-698 of the 2011 Regular Session,
26 relating to the State Employees' Health Insurance Board
27 retiree contribution based on years of service; to include the

1 one year of hazardous duty time for every five years as a
2 correctional officer awarded to each correctional officer
3 under the Employees' Retirement System or the Teachers'
4 Retirement System.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. Section 36-29-19.7 of the Code of Alabama
7 1975, as amended by Act 2011-698 of the 2011 Regular Session,
8 is amended to read as follows:

9 "§36-29-19.7.

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

13 "(b) For employees who retire other than for
14 disability after September 30, 2005, but before January 1,
15 2012, the employer contribution to the health insurance
16 premium set forth by the board for each retiree class shall be
17 reduced by two percent for each year of service less than 25
18 and increased by two percent for each year of service over 25,
19 subject to adjustment by the board for changes in Medicare
20 premium costs required to be paid by a retiree. In no case
21 shall the employer contribution of the health insurance
22 premium exceed 100 percent of the total health insurance
23 premium cost for the retiree.

24 "(c) (1) Except as provided in subdivision (2), for
25 employees who retire after December 31, 2011, the employer
26 contribution to the health insurance premium set forth by the
27 board for each retiree class shall be reduced by four percent

1 for each year of creditable coverage less than 25 and
2 increased by two percent for each year of creditable coverage
3 over 25, subject to adjustment by the board for changes in
4 Medicare premium costs required to be paid by a retiree. In no
5 case shall the employer contribution of the health insurance
6 premium exceed 100 percent of the total health insurance
7 premium cost for the retiree.

8 (2) Employees who retire on disability after
9 December 31, 2011, and apply for Social Security Disability
10 shall be exempt from this subsection for a period of two years
11 and thereafter if the employee is approved for Social Security
12 Disability.

13 "(d) For employees who retire after December 31,
14 2011, who are not covered by Medicare, regardless of years of
15 coverage, the employer contribution to the health insurance
16 premium set forth by the board for each retiree class shall be
17 reduced by a percentage equal to one percent multiplied by the
18 difference between the Medicare entitlement age and the age of
19 the employee at the time of retirement as determined by the
20 board. This reduction in the employer contribution will cease
21 upon notification to the board of the attainment of Medicare
22 coverage.

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

1 "(f) For an employee who has elected to participate
2 in the Deferred Retirement Option Plan (DROP) as defined under
3 Sections 16-25-150 and 36-27-170, the date participant entered
4 DROP is his or her retirement date for purposes of Act
5 2011-698 only, provided that the DROP participant: (1) Does
6 not voluntarily terminate participation in DROP within the
7 first three years; and (2) withdraws from service at the end
8 of DROP participation period.

9 "(g) Notwithstanding the provisions of subsection
10 (a), the board shall include for each correctional officer the
11 one year of hazardous duty time for every five years as a
12 correctional officer awarded to each correctional officer
13 under the Employees' Retirement System or the Teachers'
14 Retirement System pursuant to subdivision (1) of subsection
15 (b) of Section 36-27-59."

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