

1 HB32
2 146490-1
3 By Representative Wood
4 RFD: State Government
5 First Read: 05-FEB-13
6 PFD: 01/24/2013

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8 SYNOPSIS: Under existing law, a member of the State
9 Retirement Systems who is away from work because of
10 a job related injury and is receiving workers'
11 compensation benefits is not allowed to make
12 contributions to the retirement system to make up
13 for the retirement contribution he or she lost
14 while away from his or her job.

15 This bill would allow a member of the
16 retirement system who is away from work because of
17 a job related injury and is receiving workers'
18 compensation benefits may be allowed to make
19 contributions to the retirement system, together
20 with regular interest to date of payment, on the
21 basis of the amount he or she would have
22 contributed had he or she been receiving
23 compensation from his or her employer.

24 This bill would allow the makeup
25 contributions to be paid in a lump sum within two
26 years after the member returns to work.
27

1 A BILL
2 TO BE ENTITLED
3 AN ACT
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5 Relating to procedure for restoration of creditable
6 service to certain persons; to amend Section 36-27-11, Code of
7 Alabama 1975, to allow a member of the retirement system who
8 is away from work because of a job related injury and is
9 receiving workers' compensation benefits to make contributions
10 to the retirement system, together with regular interest to
11 date of payment, on the basis of the amount the member would
12 have contributed had he or she been receiving compensation
13 from his or her employer; and to allow the makeup
14 contributions to be paid in a lump sum within two years after
15 the member returns to work.

16 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

17 Section 1. Section 36-27-11 of the Code of Alabama
18 1975, is amended to read as follows:

19 "§36-27-11.

20 "(a) Under ~~such~~ rules and regulations as the Board
21 of Control shall adopt, each member who was an employee prior
22 to October 1, 1945, and who has made up contributions for time
23 served as a nonmember and who becomes a member prior to
24 September 1, 1966, shall file a detailed statement of all
25 service as an employee rendered by him prior to October 1,
26 1945, for which he claims credit.

1 "(b) The Board of Control shall fix and determine by
2 appropriate rules and regulations how much service in any year
3 is equivalent to one year of service, but in no case shall it
4 allow any credit for a period of absence without pay of more
5 than one month's duration, nor shall more than one year of
6 service be creditable for all service in one calendar year.

7 "(c) Subject to the restrictions in subsection (b)
8 of this section and to ~~such~~ other rules and regulations as the
9 Board of Control may adopt, the Board of Control shall verify,
10 as soon as practicable after the filing of the statements of
11 service provided for in subsection (a) of this section, the
12 service therein claimed.

13 "(d) Upon verification of the statements of service,
14 the Board of Control shall issue prior service certificates
15 certifying to each member the length of service rendered prior
16 to October 1, 1945, with which he or she is credited on the
17 basis of his or her statement of service. Any beneficiary
18 retired prior to October 1, 1945, and any other person
19 receiving a retirement allowance on account of a beneficiary
20 retired prior to said date shall be entitled on and after said
21 date to have his or her pension increased to take account of
22 any service rendered as an employee established under the
23 provisions of this article. So long as membership continues, a
24 prior service certificate shall be final and conclusive for
25 retirement purposes as to such service; provided, however,
26 that any member may, within one year from the date of issuance
27 or modification of such certificate, request the Board of

1 Control to modify or correct his or her prior service
2 certificate. When membership ceases, ~~such~~ the prior service
3 certificate shall become void. Should the employee again
4 become a member, he or she shall enter the system as an
5 employee not entitled to prior service credit.

6 "(e) Creditable service at retirement on which the
7 retirement allowance of a member shall be based shall consist
8 of the membership service rendered by him or her since he last
9 became a member, and also, if he or she has a prior service
10 certificate which is in full force and effect, the amount of
11 the service certified on his or her prior service certificate.

12 "(f) Any person who was a member of the retirement
13 system on July 1, 1961, and who prior to said date had been
14 ineligible to receive credit for service rendered as an
15 employee prior to October 1, 1945, for reasons other than
16 having been employed as a nonmember shall be eligible under
17 the provisions of this article to receive credit for all
18 service as an employee rendered by him or her prior to October
19 1, 1945; provided, that ~~such~~ the person has never waived his
20 or her claim on the funds of the retirement system by
21 withdrawing his or her accumulated contributions to said funds
22 and has not been absent from service more than five years in
23 any period of six consecutive years after becoming a member of
24 the retirement system.

25 "(g) Any member entitled to prior service credit as
26 provided in this section who served as a teacher in the public
27 schools or colleges of the state on a full-time basis prior to

1 October 1, 1945, may claim prior service credit for all ~~such~~
2 service not otherwise creditable to him or her under the
3 retirement system, such service, anything in this chapter to
4 the contrary notwithstanding, to be considered service as an
5 employee. ~~Such~~ The claim shall be subject to ~~such~~ the rules
6 and regulations as the Board of Control shall adopt.

7 "(h) Anything in this article to the contrary
8 notwithstanding, any employee who is a member of the
9 retirement system or any future employee who becomes a member
10 of the retirement system who shall have previously withdrawn
11 his or her funds from either the Employees' Retirement System
12 or the Teachers' Retirement System or whose account shall have
13 been terminated due to five years absence shall have restored
14 to him or her all creditable service; provided, that said
15 employee shall complete two years of contributing membership
16 service after he or she again becomes a member of the
17 retirement system and shall repay the amount previously
18 returned to him or her, including compounded interest of eight
19 percent to the date of repayment, to the treasurer of the
20 retirement system prior to the date of retirement of ~~said~~ the
21 employee. Notwithstanding the foregoing provisions any member
22 who elects to purchase credit for withdrawn service shall be
23 eligible to purchase such credit only to the extent that ~~such~~
24 the member does not have credit established with any other
25 public retirement system for such period of service. Should
26 any member have established part credit with another public
27 retirement system for any period of withdrawn service, then

1 ~~such~~ the member shall only be eligible to purchase that
2 portion of ~~such~~ the withdrawn service for which ~~such~~ the
3 member does not otherwise have credit. In determining credit
4 with other public retirement systems coverage under the
5 federal Social Security program shall not be considered.

6 "(i) Anything in this article to the contrary
7 notwithstanding, any employee who has been retired from
8 service and who has been receiving a service retirement
9 allowance or a disability retirement allowance, as of October
10 1, 1981, pursuant to Section 36-27-16, who had five years or
11 more of contributing membership service in the Employees'
12 Retirement System immediately prior to being retired and who
13 had previously withdrawn his funds from either the Teachers'
14 Retirement System or the Employees' Retirement System or whose
15 account had been terminated due to five years absence, shall
16 have restored to him all credited service; provided that said
17 retired member shall repay to the treasurer of the retirement
18 system within one year after October 1, 1982, the amount
19 previously returned to him or her including compounded
20 interest of eight percent to the date of repayment.

21 "(j) Anything in this article to the contrary
22 notwithstanding, any member who has served as a county
23 engineer shall be allowed to make contributions to the
24 retirement system, together with regular interest to date of
25 payment, on the basis of the amount he or she would have
26 contributed had he or she as a county engineer been allowed to
27 contribute on that part of his or her salary paid by the State

1 ~~Highway~~ Department of Transportation. ~~Such~~ The makeup
2 contribution shall be for service from October 1, 1945, to
3 September 30, 1965, and shall be paid in a lump sum before
4 January 1, 1966, whereupon after payment is received the
5 member shall be credited with membership service based on the
6 percentage of the salary as county engineer which was paid by
7 ~~said Highway~~ the Department of Transportation funds.

8 "(k) Any member who was in service as a teacher in
9 the public schools of Alabama subsequent to October 1, 1945,
10 who resigned from service as a teacher to become employed by
11 the state as a department head authorized to exercise
12 sovereign power of the state may be allowed to make
13 contributions to the retirement system, together with regular
14 interest to date of payment, on the basis of the amount he or
15 she would have contributed had he or she been allowed to
16 become a member of the system upon such employment. ~~Such~~ The
17 makeup contributions shall be paid in a lump sum before
18 January 1, 1966.

19 "(l) Any member who is away from work because of a
20 job related injury and is receiving workers' compensation
21 benefits may be allowed to make contributions to the
22 retirement system, together with regular interest to date of
23 payment, on the basis of the amount he or she would have
24 contributed had he or she been receiving compensation from his
25 or her employer. The makeup contributions shall be paid in a
26 lump sum within two years after the member returns to work."

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