

1 HB65
2 164663-2
3 By Representative Rowe
4 RFD: Public Safety and Homeland Security
5 First Read: 03-MAR-15

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8 SYNOPSIS: Under existing law, applicants for
9 membership in the Alabama Peace Officers' Annuity
10 and Benefit Fund pay an initial fee of \$20 and \$20
11 per month for as long as they maintain their
12 membership.

13 This bill would authorize the board to
14 charge an initial fee and a monthly fee of up to
15 \$40 based on the recommendation of an actuary
16 employed by the board taking into consideration the
17 cost of operating the fund.

18 Under existing law, the actuary employed by
19 the board determines what adjustments to the
20 proposed payments, annuities, and benefits may be
21 paid if the fund is to be kept on an actuarially
22 sound basis, and the board adjusts benefits up or
23 down as recommended by the actuary.

24 This bill would clarify the manner in which
25 adjustments are made.

26
27 A BILL

1 TO BE ENTITLED

2 AN ACT

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4 To amend Sections 36-21-68 and 36-21-73 of the Code
5 of Alabama 1975, to provide that the membership fees for the
6 Alabama Peace Officers' Annuity and Benefit Fund would be set
7 by the board up to a certain amount based on the
8 recommendation of the actuary of the board; and to clarify
9 that adjustments to benefits are calculated based on the
10 recommendation of the actuary.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. Sections 36-21-68 and 36-21-73 of the
13 Code of Alabama 1975, are amended to read as follows:

14 "§36-21-68.

15 "Nothing in this article shall be construed as
16 requiring that any member of the fund become a member of the
17 association or the order, or that any member of the
18 association or the order become a member of the fund.

19 "Each peace officer who becomes a member shall pay
20 to the fund a regular fee ~~of twenty dollars (\$20) per calendar~~
21 ~~month~~ in an amount of up to forty dollars (\$40) to be
22 determined by the Board of Commissioners based upon the
23 recommendation of the actuary, to be paid on or before the
24 tenth calendar day of each month so long as he or she is a
25 member or until he or she becomes entitled to benefits
26 hereunder. A member who has 30 years of qualified service in
27 the fund and having met all other requirements of the law and

1 thereby having earned maximum benefits provided will no longer
2 be required to make monthly contributions for his or her
3 membership and will retain all of the rights and privileges as
4 provided any other member.

5 ~~"Six months from the passage of this section, all~~
6 All applicants for membership must join the fund with the
7 initial fee ~~of twenty dollars (\$20) and twenty dollars (\$20)~~
8 ~~per month~~ as determined by the board based on the
9 recommendation of the actuary and a monthly fee set by the
10 board in the same manner as long as they maintain their
11 membership, with no regard given for law enforcement service
12 prior to the date of application.

13 "If any member shall not pay the monthly fee for 60
14 days after its due date, the board shall give him or her
15 notice of termination of his or her membership in the fund and
16 of his or her right to a refund and unless he or she makes
17 application for a refund pursuant to Section 36-21-74 within
18 60 days after the mailing of the notice, all amounts
19 heretofore paid by him or her to the fund shall be returned to
20 him or her in accordance with Section 36-21-74. Any member so
21 terminated who later applies for membership in the fund shall
22 lose credit for all of his or her qualified service up to the
23 time of such termination and, upon approval of his or her new
24 application, will become a new member in the fund.

25 "§36-21-73.

26 "The board shall have appointed and employed an
27 actuary to make an actuarial valuation every three years or

1 earlier, if deemed required, of the receipts and income
2 accruing to the fund based on age, expected mortality,
3 disability, and retirement status of the members and the
4 qualified service and membership service of members and to
5 determine what percentage of the proposed payments, annuities,
6 and benefits set forth in this article may be paid if the fund
7 is to be kept on an actuarially sound basis and in an actuarially
8 solvent condition. Upon receipt of the report of the actuary,
9 the executive director shall present it to a meeting of the
10 board which shall have the power and shall be required to make
11 adjustments of annuities and benefits, up or down, as are
12 recommended by the actuary. Any increase or reduction in
13 benefits resulting from any actuarial study or from any
14 subsequent amendment of this article shall be applicable to
15 all persons then receiving such benefits, even though such
16 persons had theretofore received benefits at a different rate.

17 "In no event shall the board, the fund, the
18 association, the order, or any member, officer, director, or
19 employee of any thereof or the state or any subdivision
20 thereof or any municipality therein be liable to any member or
21 any beneficiary or any representative of any member or any
22 beneficiary of the fund for any deficiency in payments made
23 pursuant to this article and pursuant to any ~~pro rata~~
24 ~~reduction of annuities or benefits~~ adjustments of annuities
25 and benefits, up or down, as are recommended by the actuary."

1 Section 2. This act shall become effective
2 immediately following its passage and approval by the
3 Governor, or its otherwise becoming law.