

1 HB396
2 181543-4
3 By Representative Treadaway (N & P)
4 RFD: Jefferson County Legislation
5 First Read: 14-MAR-17

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8 SYNOPSIS: This bill would relate to any Class 1
9 municipality and the retirement and relief system
10 for officers and employees of the municipality.

11 The bill would do all of the following:

12 (1) Revise the investment powers of the
13 board of managers to reduce the percentage of
14 investments required to be in fixed income
15 securities from not less than 25 percent to not
16 less than 15 percent. (2) Delete certain language
17 requiring an increase in contribution under certain
18 conditions from participants; (3) Increase the
19 contribution rate of the municipality to the
20 pension system to a minimum of nine percent by
21 2020; (4) Amend the normal retirement benefit for
22 participants who first become participants on or
23 after July 1, 2017, by requiring a participant to
24 attain age 62 or older and to have completed 10 or
25 more years of credited service, or to have
26 completed 30 or more years of credited service
27 without regard to age for normal retirement; (5)

1 Amend the maximum normal retirement benefit for
2 participants who first become participants on or
3 after July 1, 2017, by providing for a maximum
4 normal retirement benefit of 67.5 percent of the
5 final average salary, exclusive of any sick leave
6 bonus or post severance compensation; (6) Amend the
7 requirements for participants to vest for
8 participants who first become participants on or
9 after July 1, 2017, by providing for vesting at 10
10 years of credited service; (7) Amend the
11 involuntary retirement benefit for participants who
12 first become participants on or after July 1, 2017,
13 by providing that a participant who is
14 involuntarily retired after having completed 20 or
15 more years of credited service prior to attaining
16 the age of 62 years would be entitled to an
17 involuntary retirement benefit; (8) Amend the
18 ordinary disability allowance for participants who
19 first become participants on or after July 1, 2017,
20 by providing that a participant would be required
21 to accrue 10 years of credited service for a
22 participant to be eligible to participate in the
23 ordinary disability allowance benefit; and (9)
24 Amend the survivor's benefits for participants who
25 first become participants on or after July 1, 2017,
26 by providing for a participant to have 10 or more
27 years of credible service prior to the

1 participant's death before the participant's
2 survivor may participate in survivor's benefits and
3 providing that the optional survivor's benefit
4 provided may only accrue and be payable to the
5 benefit of a survivor or survivors from the date on
6 which the deceased retiree or participant would
7 have attained age 62 had he or she lived.

8
9 A BILL
10 TO BE ENTITLED
11 AN ACT

12
13 Relating to any Class 1 municipality and the
14 retirement and relief system for officers and employees of the
15 municipality; to amend Sections 45-37A-51.137, 45-37A-51.190,
16 45-37A-51.192, 45-37A-51.220, 45-37A-51.221, 45-37A-51.222,
17 45-37A-51.224, 45-37A-51.225, and 45-37A-51.228, Code of
18 Alabama 1975, as amended by Act 2006-339, 2006 Regular
19 Session, as amended by Act 2011-585, 2011 Regular Session, as
20 amended by Act 2014-337, 2014 Regular Session; to amend the
21 investment powers of the board of managers to reduce the
22 percent of investments required to be in fixed income
23 securities; to delete certain language requiring an increase
24 in contribution under certain conditions from participants; to
25 amend and phase in the contribution rate of the municipality
26 to the pension system to a minimum of nine percent; to amend
27 the normal retirement benefit for participants who first

1 become participants on or after July 1, 2017; to provide for a
2 participant to attain age 62 or older and to have completed 10
3 or more years of credited service, or to have completed 30 or
4 more years of credited service without regard to age for
5 normal retirement; to amend the maximum normal retirement
6 benefit for participants who first become participants on or
7 after July 1, 2017, to provide for a maximum normal retirement
8 benefit of 67.5 percent of the final average salary, exclusive
9 of sick leave bonus or past severance compensation; to amend
10 the requirements for vesting for participants who first become
11 participants on or after July 1, 2017, to provide for vesting
12 after 10 years of credited service; to amend the involuntary
13 retirement benefit for participants who first become
14 participants on or after July 1, 2017, to provide that a
15 participant who is involuntarily retired after having
16 completed 20 or more years of credited service prior to
17 attaining the age of 62 years shall be entitled to an
18 involuntary retirement benefit; to amend the ordinary
19 disability allowance for participants who first become
20 participants on or after July 1, 2017, to require a
21 participant to have accrued 10 years of credited service for a
22 participant to be eligible to participate in the ordinary
23 disability allowance benefit; to amend survivor's benefits for
24 participants who first become participants on or after July 1,
25 2017, to provide for a participant to have 10 or more years of
26 credible service prior to the participant's death before the
27 participant's survivor may participate in survivor's benefits;

1 and to provide that the optional survivor's benefit provided
2 may only accrue and be payable to the benefit of a survivor or
3 survivors from the date on which the deceased retiree or
4 participant would have attained age 62 had he or she lived.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. Sections 45-37A-51.137, 45-37A-51.190,
7 45-37A-51.192, 45-37A-51.220, 45-37A-51.221, 45-37A-51.222,
8 45-37A-51.224, 45-37A-51.225, and 45-37A-51.228, Code of
9 Alabama 1975, are amended to read as follows:

10 "§45-37A-51.137.

11 "(a) In each instance in which any provision of this
12 section requires a determination of the value of a security,
13 or securities, in the fund, the fair market value of such
14 security or securities as determined by pricing sources
15 acceptable to the custodian, shall be deemed to be the value
16 thereof.

17 "(b) The fund shall include all assets of the fund
18 in any form, and the city director of finance shall be, ex
19 officio, the custodian of the fund. The custodian shall keep a
20 separate account of the fund and of all assets and liabilities
21 thereof and of all receipts and disbursements thereof and of
22 all prior service time and paid membership time of employee
23 members. The custodian shall keep all monies of the fund in a
24 separate bank account. The custodian shall keep in force and
25 effect a bond in a penal amount equal to the total amount of
26 monies and securities in such custodian's custody or
27 possession, but in no event in excess of fifty thousand

1 dollars (\$50,000), payable to the board and conditioned for
2 faithful performance of such custodian's duties and for
3 faithful accounting to the board for all monies, securities,
4 and property coming into his or her control, custody, or
5 possession as custodian. Such bond shall be executed by a
6 surety company authorized to do business in the State of
7 Alabama, and the premium on such bond, and all necessary
8 expenses of the board, shall be paid out of the fund upon
9 order of the board. All bonds and securities acquired for the
10 fund shall be registered by the custodian, or his or her
11 designated representative, in the name of the system promptly
12 upon acquisition and shall remain so registered until sold or
13 otherwise disposed of by authority of the board. The board
14 shall select a financial institution as subcustodian of
15 securities, with authority to collect and remit to the
16 custodian dividends, principal, and interest of securities
17 entrusted to its custody as the same may mature, and pay it
18 such reasonable fees or compensation for its services as the
19 board may deem proper, and the board, if it sees fit, may
20 waive any bond otherwise required of such institution as
21 subcustodian so long as the net worth of the subcustodian
22 exceeds one and one-half times the total value of the
23 securities entrusted to its custody. Securities in the custody
24 of the subcustodian shall not be counted as in the custody of
25 the custodian for the purpose of computing the amount of the
26 custodian's bond. The board is authorized to accept and
27 receive gifts, donations, or legacies for the fund, and to

1 administer same as may be directed by the board. No member or
2 employee of the board of managers, directly or indirectly,
3 shall for himself or herself or as an agent in any manner use
4 the fund, except to make current and necessary payments
5 authorized by the board, nor shall any member or employee of
6 the board of managers become an endorser or surety or in any
7 manner an obligor for monies loaned to or borrowed from the
8 board. In the adjudication of claims against the fund, the
9 records of the city director of finance and subcustodian made
10 and kept for the purpose of this subpart shall be deemed prima
11 facie, to speak the truth.

12 "(c) The board of managers shall have the sole and
13 absolute discretion, if the board deems it advisable to
14 invest, reinvest, and have invested and reinvested all funds
15 of the system, real and personal, in the classes of bonds,
16 mortgages, common and preferred stocks, shares of investment
17 companies or mutual funds, real estate investment trusts,
18 international equity, corporate fixed income, international
19 fixed income, index funds, and derivative securities, and
20 investments recognized as alternative investments or other
21 investments as the board of managers may approve, subject to
22 the limitations herein provided. No money of the fund shall be
23 invested, paid out, or disbursed except pursuant to order or
24 authorization of the board given prior, at the time, or
25 subsequent to same. The board shall be trustee, and have
26 entire management and control of the fund, and shall direct or
27 subsequently approve investment of monies of the fund not

1 needed to meet disbursements provided for in this subpart, in
2 the loans to members hereinabove referred to, in bills, notes
3 and bonds of the United States government, or general
4 obligation bonds of the State of Alabama, or in common or
5 preferred stock of corporations or in bonds registered with
6 the Security and Exchange Commission, mortgage-backed
7 securities, or asset-backed securities, or in securities
8 issued by federal agencies and government sponsored entities,
9 or may invest in Federal Saving and Loan Associations or in
10 other corporations having Federal Savings and Loan
11 Association's guarantee or in certificates of deposit or bonds
12 issued by banks organized under federal laws or under laws of
13 the State of Alabama and insured by the federal government or
14 in such other assets as the board may prudently approve, with
15 due regard to their suitability and creditworthiness. No funds
16 shall be invested in common or preferred stocks of
17 corporations unless such common or preferred stocks are listed
18 upon exchanges registered with and subject to the jurisdiction
19 of the United States Securities and Exchange Commission, are
20 traded through NASDAQ Stock Market, are Rule 144A securities,
21 or are traded on an organized exchange, and the total
22 investment in fixed income securities shall not be less than
23 ~~25~~ 15 percent of the fair market value of all the funds
24 available in the system for investment. Securities issued by
25 any single nonguaranteed agency or entity may not constitute
26 more than 10 percent of the fixed income allocation of the
27 fund at the time of purchase. The fair market value of all of

1 the funds available in the system for investment is to be
2 determined periodically, but not less than annually. In
3 exercising its discretion to invest, reinvest, and have
4 invested and reinvested all funds of the system, the board
5 shall act with the care, skill, prudence, and diligence under
6 the circumstances then prevailing that a prudent person acting
7 in a like capacity and familiar with such matters would use in
8 the conduct of an enterprise of a like character and with like
9 aims.

10 "§45-37A-51.190.

11 "(a) Each participant shall contribute to the cost
12 of the system, and the city shall deduct from the
13 participant's pay, an amount equal to not less than six
14 percent nor more than seven percent of actual monthly salary,
15 ~~or an amount necessary to satisfy the funding obligations of~~
16 ~~the system unless, in lieu of an increase in contributions,~~
17 ~~future accrued benefits hereunder are reduced such that the~~
18 ~~contributions satisfy the funding obligations of the system as~~
19 ~~determined in accordance with Governmental Accounting~~
20 ~~Standards Board Statements Numbers 25 and 27, the amount to be~~
21 ~~immediately paid into the fund, the percentage to be~~
22 ~~determined by an actuary of the board, annually, in order that~~
23 ~~the plan shall remain solvent and insure payments of accrued~~
24 ~~and future benefits.~~

25 "(b) Should the city through error, inadvertence, or
26 otherwise, neglect to make proper deduction for the fund from
27 the salary of any employee member for any payroll period, the

1 employee member shall be liable to the fund for the amount or
2 amounts that should have been deducted and shall pay that
3 amount to the custodian on demand.

4 "(c) Notwithstanding this section, participants who
5 are employees of the Jefferson County Department of Health
6 shall contribute six percent to seven percent of actual pay to
7 the fund.

8 "~~(d) The contribution of the employees, excluding~~
9 ~~board of health employees, shall be the same as the~~
10 ~~contribution of the employer.~~

11 "§45-37A-51.192.

12 "(a) The city shall pick up employer payment of
13 required participants' contributions in lieu of salary or
14 wages through a program and plan amendments relating to the
15 city's employees meeting the requirements of the United States
16 Internal Revenue Code, as amended.

17 "(b) (1) Beginning July 1, 1995, the contribution of
18 the employer, excluding the board of health and employees of
19 the board of health, shall be determined by the actuary of the
20 board at the level necessary to fully fund the system ~~but not~~
21 ~~greater than seven percent of each participant's actual~~
22 ~~monthly salary nor less than six percent of each participant's~~
23 ~~actual monthly salary.~~ The actuary shall be required to make
24 the determination for each actuarial year.

25 "(2) Beginning on July 1, 2017, the employer's total
26 minimum rate of contribution into the fund, excluding the
27 board of health, shall increase to 7.25 percent.

1 "(3) Beginning on July 1, 2018, the employer's total
2 minimum rate of contribution into the fund, excluding the
3 board of health, shall increase to 8.50 percent.

4 "(4) Beginning on July 1, 2020, the employer's total
5 minimum rate of contribution into the fund, excluding the
6 board of health, shall increase to nine percent.

7 "(5) Notwithstanding anything to the contrary in
8 this subsection, the employer may increase its total rate of
9 contribution above the minimum amounts previously listed in
10 this subsection.

11 "(c) At the same time the deductions attributable to
12 participants' contributions are paid into the fund, the city
13 shall pay into the fund ~~an equal amount~~ the amount of
14 contributions the city is required to pay pursuant to this
15 section. ~~In no event, shall the total contribution of the city~~
16 ~~be less than 12 percent of total covered payroll.~~

17 "§45-37A-51.220.

18 "(a) A participant having attained age 60 or older
19 and having completed five or more years of credited service,
20 or having completed 30 or more years of credited service
21 without regard to age, shall be entitled upon his or her
22 voluntary retirement to a monthly retirement benefit equal to
23 one of the following:

24 "(1) With respect to a retiree who first became a
25 participant on or before the first day of July after nine
26 years after date of establishment, forty percent of his or her
27 final average salary, plus one and three thousand three

1 hundred thirty-four thousandths percent (1.3334%) of his or
2 her final average salary multiplied by his or her years of
3 credited service in excess of 15 years.

4 "(2) With respect to a retiree who first becomes a
5 participant subsequent to the first day of July nine years
6 after date of establishment, and becomes entitled to a normal
7 retirement benefit and retires on or before July 1, 1990, two
8 percent of his or her final average salary shall be multiplied
9 by such retiree's years of credited service.

10 "(3) With respect to a retiree who first becomes a
11 participant subsequent to the first day of July nine years
12 after the establishment, and becomes entitled to a normal
13 retirement benefit and retires after July 1, 1990, and on or
14 before June 30, 2001, two and twenty-five hundredths percent
15 (2.25%) of his or her final average salary multiplied by such
16 retiree's years of credited service.

17 "(4) With respect to a retiree who first becomes a
18 participant subsequent to the first day of July nine years
19 after the establishment, and becomes entitled to a normal
20 retirement benefit and retires on or after July 1, 2001, two
21 and fifty one-hundredths percent (2.50%) of his or her final
22 average salary multiplied by such retiree's years of credited
23 service, subject to any future action of the board of
24 managers.

25 "(b) Effective July 1, 2006, the retiree of the
26 board of health who becomes entitled to a normal retirement
27 benefit and retires after that date, two and fifty

1 one-hundredths percent (2.5%) of his or her final average
2 salary multiplied by such retiree's years of credited service
3 shall be the normal retirement benefit of such participant,
4 subject to any future action of the board of managers.

5 "(c) Subject to the provisions of Section
6 45-37A-51.237, the amount of any retirement benefit determined
7 under this section which may have commenced to be paid in
8 accordance with the system shall continue to be paid
9 throughout the life of the retiree.

10 "(d) Notwithstanding anything to the contrary
11 contained in this section, all participants who first become
12 participants on or after July 1, 2017, and who have attained
13 age 62 or older and have completed 10 or more years of
14 credited service, or who have completed 30 or more years of
15 credited service without regard to age, and who become
16 entitled to a normal retirement benefit, shall be entitled on
17 his or her voluntary retirement to a monthly retirement
18 benefit equal to 2.25 percent of his or her final average
19 salary multiplied by the retiree's years of credited service
20 subject to the limitation in subsection (b) of Section
21 45-37A-51.221.

22 "§45-37A-51.221.

23 "(a) The minimum retirement benefit payable under
24 Section 45-37A-51.220 shall be four hundred dollars (\$400) per
25 month. The maximum normal retirement benefit payable under
26 Section 45-37A-51.220 shall be 75 percent of final average
27 salary, exclusive of sick leave bonus. Notwithstanding the

1 foregoing and to the extent applicable to governmental plans
2 as defined in § 414(d), Internal Revenue Code, in no event may
3 the normal retirement benefit exceed the annual dollar limits
4 imposed by § 415(b), Internal Revenue Code, excluding
5 contributions under § 414(h)(2), Internal Revenue Code.
6 Further, no post severance compensation shall be included for
7 any benefit hereunder. Post severance compensation means
8 amounts paid by the later of: (1) Two and one-half months
9 after an employee's severance from employment with the
10 employer, or (2) the end of the limitation year that includes
11 the date of severance from employment with the employer; and
12 those amounts would have been included in the definition of
13 compensation if they were paid prior to the employee's
14 severance from employment. However the payment shall be for
15 (1) unused accrued bona fide sick, vacation, or other leave,
16 but only if the employee would have been able to use the leave
17 if the employee had continued in employment; or (2) received
18 by an employee pursuant to a nonqualified unfunded deferred
19 compensation plan, but only if the payment would have been
20 paid to the employee at the same time if the employee had
21 continued in employment with the employer and only to the
22 extent that the payment is includible in the employee's gross
23 income. Notwithstanding the foregoing, in all events no
24 benefit payments shall exceed limits imposed on governmental
25 plans by applicable law.

26 "(b) Notwithstanding anything to the contrary
27 contained in subsection (a), all participants who first become

1 participants on or after July 1, 2017, shall be entitled to
2 the minimum retirement benefit payable under Section
3 45-37A-51.220 in the amount of four hundred dollars (\$400) per
4 month. The maximum normal retirement benefit payable under
5 Section 45-37A-51.220 shall be 67.5 percent of final average
6 salary, exclusive of sick leave bonus. Notwithstanding the
7 foregoing and to the extent applicable to governmental plans
8 as defined in § 414(d), Internal Revenue Code, in no event
9 shall the normal retirement benefit exceed the annual dollar
10 limits imposed by § 415(b), Internal Revenue Code, excluding
11 contributions under § 414(h)(2), Internal Revenue Code. No
12 post severance compensation shall be included for any benefit
13 under this section. Post severance compensation means amounts
14 paid by the later of: (1) Two and one-half months after an
15 employee's severance from employment with the employer, or (2)
16 the end of the limitation year that includes the date of
17 severance from employment with the employer; and those amounts
18 would have been included in the definition of compensation if
19 they were paid prior to the employee's severance from
20 employment. However, the payment shall be for: (1) Unused
21 accrued bona fide sick, vacation, or other leave, but only if
22 the employee would have been able to use the leave if the
23 employee had continued in employment; or (2) received by an
24 employee pursuant to a nonqualified unfunded deferred
25 compensation plan, but only if the payment would have been
26 paid to the employee at the same time if the employee had
27 continued in employment with the employer and only to the

1 extent that the payment is includible in the employee's gross
2 income. Notwithstanding the foregoing, in all events no
3 benefit payments shall exceed limits imposed on governmental
4 plans by applicable law.

5 "§45-37A-51.222.

6 "(a) (1) All participants who are participants
7 before July 1, 2017, shall vest at five years of credited
8 service.

9 "(2) Notwithstanding anything to the contrary
10 contained in this section, all participants who first become
11 participants on or after July 1, 2017, shall vest at 10 years
12 of credited service.

13 "(b) All participants may purchase previous city,
14 county, and city library time by paying the contribution plus
15 interest as provided herein.

16 "(c) Participants of the city and other
17 participating entities, except the board of health, upon
18 termination of the employment after five years of actual
19 service to the city or other employing participating entity,
20 shall have the option to leave in the system fund all
21 contributions made by the terminated employee and receive a
22 monthly retirement benefit beginning at age 60 years in an
23 amount equal to a multiplier in the applicable percentage
24 effective on the date of retirement as set forth in Section
25 45-37A-51.220 of the employee's monthly final average salary
26 multiplied by his or her years of credited service. The
27 benefit shall continue throughout the life of such retiree. A

1 survivor's benefit calculated as described in Section
2 45-37A-51.228, shall be provided to the survivors of the
3 retiree pursuant to this provision if the retired employee has
4 reached age 60 years. In the event that a terminated employee
5 dies prior to receiving a benefit hereunder, or a terminated
6 employee elects at any time to withdraw the contributions from
7 the system fund, then the contributions shall be paid to the
8 employee or his or her designee without interest and the
9 terminated employee and those claiming under him or her, shall
10 have no further rights in the fund. The amount payable,
11 calculated by using the multiplier in the applicable
12 percentage effective on the date of retirement per year of
13 credited service, shall be reduced by being calculated at a
14 lower percentage per year of credited service if for any
15 reason current service retirees receive less percentage per
16 year of credited service.

17 "(d) Notwithstanding anything to the contrary
18 contained in subsection (c), all participants who first become
19 participants on or after July 1, 2017, upon termination of the
20 employment after 10 years of actual service to the city or
21 other employing participating entity, may leave in the system
22 fund all contributions made by the former employee and receive
23 a monthly retirement benefit beginning at age 62 years in an
24 amount equal to a multiplier in the applicable percentage
25 effective on the date of retirement as set forth in Section
26 45-37A-51.220(d) of the employee's monthly final average
27 salary multiplied by his or her years of credited service. The

1 benefit shall continue throughout the life of the retiree. A
2 survivor's benefit calculated as described in Section
3 45-37A-51.228, shall be provided to the survivors of the
4 retiree pursuant to this provision if the retired employee has
5 reached age 62 years. In the event that a terminated employee
6 dies prior to receiving a benefit under this section, or a
7 terminated employee elects at any time to withdraw the
8 contributions from the system fund, then the contributions
9 shall be paid to the employee or his or her designee without
10 interest and the terminated employee and those claiming under
11 him or her shall have no further rights in the fund. The
12 amount payable, calculated by using the multiplier in the
13 applicable percentage effective on the date of retirement per
14 year of credited service, shall be reduced by being calculated
15 at a lower percentage per year of credited service if for any
16 reason current service retirees receive less percentage per
17 year of credited service.

18 ~~"(d)~~ (e) That portion of a terminated participant's
19 benefit that is forfeited shall be used only to reduce future
20 costs of the system at such time as it becomes a forfeiture.

21 "§45-37A-51.224.

22 "(a) In the event a participant shall be
23 involuntarily retired after having completed 20 or more years
24 of credited service prior to attaining the age of 60 years,
25 such participant shall be entitled to a monthly retirement
26 benefit equal to the product of the final average salary
27 multiplied by the applicable percentage rate determined at the

1 date of termination ~~of~~, multiplied by such participant's years
2 of credited service. Should the participant be involuntarily
3 retired prior to attaining age 60 his or her entitlement to
4 the monthly retirement benefit, at this retirement date, shall
5 additionally require that within 60 days of the involuntary
6 retirement the agency governing tenure of service of city
7 employees certify in writing to the board that such employee
8 has not contributed by his or her own fault or misconduct to
9 the separation from service. Should such certification not be
10 made within the prescribed time, the monthly retirement
11 benefit thus determined shall commence upon his or her
12 attainment of age 60. However, should such employee, prior to
13 attaining age 60 and prior to the commencement of his or her
14 benefits, withdraw such employee's own contributions to the
15 system, he or she shall forfeit his or her right to the
16 monthly retirement benefits.

17 "(b) Notwithstanding anything to the contrary
18 contained in this section, for all participants who first
19 become participants on or after July 1, 2017, in the event a
20 participant is involuntarily retired after having completed 20
21 or more years of credited service prior to attaining the age
22 of 62 years, the participant shall be entitled to a monthly
23 retirement benefit equal to the product of the final average
24 salary multiplied by the applicable percentage rate determined
25 at the date of termination, multiplied by the participant's
26 years of credited service. If the participant is involuntarily
27 retired prior to attaining age 62, his or her entitlement to

1 the monthly retirement benefit at this retirement date shall
2 additionally require that within 60 days of the involuntary
3 retirement the agency governing tenure of service of city
4 employees certifies in writing to the board that the employee
5 has not contributed by his or her own fault or misconduct to
6 the separation from service. If that certification is not made
7 within the prescribed time, the monthly retirement benefit
8 thus determined shall commence upon his or her attainment of
9 age 62. If the employee, prior to attaining age 62 and prior
10 to the commencement of his or her benefits, withdraw the
11 employee's own contributions to the system, the employee shall
12 forfeit his or her right to the monthly retirement benefits.

13 ~~"(b)~~ (c) Anything herein to the contrary
14 notwithstanding, the monthly retirement benefit shall neither
15 commence nor be payable during any period when such
16 involuntarily retired participant shall refuse or fail to
17 accept employment by the city at a rate of compensation equal
18 to that he or she was receiving at the time such retiree was
19 involuntarily retired or separated.

20 "§45-37A-51.225.

21 "(a) In the event a participant, after having
22 accrued five or more years of credited service, shall become
23 totally disabled to perform his or her customary duties as an
24 employee of the city and not be entitled to an extraordinary
25 disability allowance, he or she shall in such event be
26 entitled to a monthly ordinary disability allowance equal to
27 two percent of such participant's final average salary

1 multiplied by his or her years of credited service at the date
2 of disability.

3 "(b) Notwithstanding anything to the contrary
4 contained in this section, for all participants who first
5 become participants on or after July 1, 2017, in the event a
6 participant, after having accrued 10 or more years of credited
7 service, becomes totally disabled to perform his or her
8 customary duties as an employee of the city and who is not
9 entitled to an extraordinary disability allowance, he or she
10 shall in that event be entitled to a monthly ordinary
11 disability allowance equal to two percent of the participant's
12 final average salary multiplied by his or her years of
13 credited service at the date of disability.

14 ~~"(b)~~ (c) Benefits payable hereunder shall commence
15 upon the cessation of the disabled participant's drawing a
16 salary from the city and shall continue until such time as the
17 participant is no longer totally disabled to perform his or
18 her customary duties or substantially comparable duties with
19 an employer.

20 ~~"(c)~~ (d) The maximum ordinary disability allowance
21 payable hereunder shall be two percent of final average salary
22 per credited year of service, not to exceed 60 percent of
23 final average salary.

24 ~~"(d)~~ (e) Anything herein to the contrary
25 notwithstanding, an ordinary disability allowance shall be
26 computed and paid throughout the continuance of such
27 disability as provided and at the rate prescribed by the law

1 in effect at the time of the commencement of such disability.
2 If any disability beneficiary should become separated from the
3 service and withdraw such disability beneficiary's
4 contributions, his or her right to continuance of disability
5 benefits shall immediately cease.

6 "§45-37A-51.228.

7 "(a) Effective July 1, 2002, in the event of the
8 death of a retiree or participant who, on the date of his or
9 her death was eligible for voluntary retirement under Section
10 45-37A-51.220, there may be payable a monthly survivor's
11 benefit equal to 60 percent of the monthly retirement benefit
12 which the retiree was receiving or was entitled to receive
13 prior to his or her death or which the participant would have
14 been entitled to receive had he or she retired under Section
15 45-37A-51.220 on the day preceding his or her death;
16 notwithstanding anything to the contrary, the survivor's
17 benefit may be increased pursuant to Section 45-37A-51.242. In
18 the event any survivor is being paid an amount in excess of 60
19 percent of the retiree's monthly benefit on May 1, 2006, such
20 survivor's benefits shall not be decreased.

21 "(b) (1) Effective July 1, 2002, upon the death of
22 any retiree or participant who at the time of his or her death
23 was not eligible for voluntary retirement under Section
24 45-37A-51.220, but who prior to death had five or more years
25 of creditable time, there may be payable at the option of the
26 survivors and to the exclusion of any other death benefits
27 provided for in this subpart or in any other pension system

1 applicable to the city an optional survivor's benefit
2 according to the schedule of percentages hereinbelow set
3 forth. For the purpose of this subsection, the optional
4 survivor's benefit shall be 60 percent of the applicable
5 percentage of salary of the deceased retiree's or
6 participant's final average salary, figured as of the date of
7 death instead of the date of retirement, multiplied by his or
8 her years of creditable time and multiplied by the percentage
9 rate applicable to the decedent's completed years of credited
10 service as shown in the schedule of percentages as follows:

11 "a. Prior to July 1, 2002, the percentage rate,
12 effective to survivors, applicable to decedent's completed
13 years prior to July 1, 2002, credited service:

14 "Credited service, 10 years = 50 percent; 11 years =
15 60 percent; 12 years = 70 percent; 13 years = 80 percent; 14
16 years = 90 percent; and 15 or more years = 100 percent. The
17 surviving spouse and children of any firefighter or police
18 officer who is a member of the Firemen's and Policemen's
19 Supplemental Pension System applicable to the city and is
20 employed by the city at the time of his or her death shall not
21 be entitled to any benefit under this subsection.

22 "b. The percentage rate, effective to survivors,
23 applicable to decedent's completed years after July 1, 2002,
24 credited service:

25 "Credited service, five years = 50 percent; six
26 years = 60 percent; seven years = 70 percent; eight years = 80
27 percent; nine years = 90 percent; and 10 or more years = 100

1 percent. The surviving spouse and children of any firefighter
2 or police officer who is a member of the Firemen's and
3 Policemen's Supplemental Pension System applicable to the city
4 and is employed by the city at the time of his or her death
5 shall not be entitled to any benefit under this subsection.

6 "c. Notwithstanding anything to the contrary
7 contained in this section, for all participants who first
8 become participants on or after July 1, 2017, upon the death
9 of any retiree or participant who at the time of his or her
10 death was not eligible for voluntary retirement under Section
11 45-37A-51.220, but who prior to death had 10 or more years of
12 creditable time, there may be payable at the option of the
13 survivors and to the exclusion of any other death benefits
14 provided for in this subpart or in any other pension system
15 applicable to the city an optional survivor's benefit
16 according to the schedule of percentages hereinbelow set
17 forth. For the purpose of this subsection, the optional
18 survivor's benefit shall be 60 percent of the applicable
19 percentage of salary of the deceased retiree's or
20 participant's final average salary, figured as of the date of
21 death instead of the date of retirement, multiplied by his or
22 her years of creditable time and multiplied by the percentage
23 rate applicable to the decedent's completed years of credited
24 service as shown in the schedule of percentages as follows:

25 "Notwithstanding anything to the contrary contained
26 in this section, for all participants who first become
27 participants on or after July 1, 2017, the percentage rate,

1 effective to survivors, applicable to those decedents is as
2 follows:

3 "Credited service, 10 years = 50 percent; 11 years =
4 60 percent; 12 years = 70 percent; 13 years = 80 percent; 14
5 years = 90 percent; and 15 or more years = 100 percent. The
6 surviving spouse and children of any firefighter or police
7 officer who is a member of the Firemen's and Policemen's
8 Supplemental Pension System applicable to the city and is
9 employed by the city at the time of his or her death shall not
10 be entitled to any benefit under this subsection.

11 "(2) a. The optional survivor's benefit provided for
12 under subdivision (1) may only accrue and be payable to the
13 benefit of a survivor or survivors from the date on which the
14 deceased retiree or participant would have attained age 60 had
15 he or she lived, or from the date on which such person would
16 have earned 20 years of creditable time had he or she lived
17 and continued in the employment of the city, whichever date
18 comes first. In order to obtain the benefit, a written request
19 therefor shall be submitted by or on the behalf of an eligible
20 survivor to the custodian of the fund within 180 days after
21 date of the death of the retiree or participant. The written
22 request may be made on behalf of surviving minor children as
23 provided in Section 45-37A-51.229. Any eligible survivor
24 failing to submit written request within the required time
25 shall be barred from any right to claim or to receive the
26 optional survivor's benefit. Such failure to submit the
27 written request on behalf of eligible surviving minor or

1 minors by their legal guardian or custodian as provided in
2 Section 45-37A-51.229 shall likewise bar such minor from
3 claiming or receiving the optional survivor's benefit.

4 "b. Notwithstanding anything to the contrary
5 contained in subsection (a), for all participants who first
6 become participants on or after July 1, 2017, the optional
7 survivor's benefit provided for under subdivision (1) may only
8 accrue and be payable to the benefit of a survivor or
9 survivors from the date on which the deceased retiree or
10 participant would have attained age 62 had he or she lived, or
11 from the date on which such person would have earned 20 years
12 of creditable time had he or she lived and continued in the
13 employment of the city, whichever date comes first. In order
14 to obtain the benefit, a written request shall be submitted by
15 or on the behalf of an eligible survivor to the custodian of
16 the fund within 180 days after date of the death of the
17 retiree or participant. The written request may be made on
18 behalf of surviving minor children as provided in Section
19 45-37A-51.229. Any eligible survivor failing to submit a
20 written request within the required time shall be barred from
21 any right to claim or to receive the optional survivor's
22 benefit. The failure to submit the written request on behalf
23 of an eligible surviving minor or minors by their legal
24 guardian or custodian as provided in Section 45-37A-51.229
25 shall likewise bar the minor from claiming or receiving the
26 optional survivor's benefit.

1 "(3) a. Upon the submission of a written request for
2 optional survivor's benefit, as provided in subdivision (2),
3 the contributions of the deceased paid into the fund shall
4 remain therein, any provisions of other sections of this
5 subpart to the contrary notwithstanding, regardless of whether
6 any or all of the deceased's eligible survivors die before
7 receiving any payment of benefits. The surviving spouse may
8 revoke any written request by giving written notice thereof to
9 the custodian at any time prior to a benefit payment being
10 made pursuant to such request and thereby be eligible survivor
11 has made such request and a benefit payment has been made
12 pursuant thereto none of the decedent's contributions paid
13 into the fund shall be withdrawn therefrom or paid to any
14 survivor as a return of contributions or for any other
15 purpose.

16 "b. A survivor to whom a benefit payment has been
17 made under this subsection shall not thereafter be entitled to
18 any survivor's benefit or death benefit under any other
19 provisions of this or other pension systems applicable to the
20 city and further, a survivor to whom a survivor's benefit or
21 death benefit payment has been made under any other provisions
22 of this subpart or under any other pension system applicable
23 to the city shall not thereafter be entitled to any benefits
24 under this subsection.

25 "(c) Notwithstanding anything contained in this
26 section, the minimum survivor's benefit payable to the spouse
27 of the deceased retiree shall be three hundred twenty dollars

1 (\$320) per month under the conditions provided in Section
2 45-37A-51.229."

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