

1 HB427
2 184260-1
3 By Representatives Ledbetter, Shedd, McCutcheon, Patterson,
4 Pettus, Whorton (R), Wood, Sanderford, Farley, Rowe, Butler
5 and Harbison
6 RFD: State Government
7 First Read: 16-MAR-17

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8 SYNOPSIS: Under existing law, a Tier II correctional
9 officer, firefighter, or law enforcement officer is
10 eligible for full retirement benefits if he or she
11 retires after the age of 56 with at least 10 years
12 of creditable service as a correctional officer,
13 firefighter, or law enforcement officer.

14 This bill would allow Tier II members of the
15 Employees' Retirement System or the Teachers'
16 Retirement System employed as a local correctional
17 officer, firefighter, or law enforcement officer to
18 retire with full retirement benefits upon
19 completion of 25 years of service.

20 The bill would also increase the
21 contribution rate of the earnable compensation of
22 Tier II members of the Employees' Retirement System
23 or the Teachers' Retirement System employed as a
24 local correctional officer, firefighter, or law
25 enforcement officer to the retirement system.

26
27 A BILL

1 TO BE ENTITLED

2 AN ACT

3
4 Relating to retirement benefits of local
5 correctional officers, firefighters, and law enforcement
6 officers; to amend Sections 16-25-14, 16-25-21, 36-27-16,
7 36-27-24, and 36-27-59 of the Code of Alabama 1975; to allow
8 Tier II members of the Employees' Retirement System or the
9 Teachers' Retirement System employed as a local correctional
10 officer, firefighter, or law enforcement officer to retire
11 with full benefits upon completion of 25 years of service; and
12 to increase the contribution rate of the earnable compensation
13 of Tier II members of the Employees' Retirement System or the
14 Teachers' Retirement System employed as a local correctional
15 officer, firefighter, or law enforcement officer to the
16 retirement system.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

18 Section 1. Sections 16-25-14, 16-25-21, 36-27-16,
19 36-27-24, and 36-27-59 Code of Alabama 1975, are amended to
20 read as follows:

21 "§16-25-14.

22 "(a) (1) Any Tier I plan member who withdraws from
23 service upon or after attainment of age 60 and any Tier II
24 plan member who withdraws from service upon or after
25 attainment of age 62, or in the case of a Tier II plan member
26 who is a correctional officer, firefighter, or law enforcement
27 officer as defined in Section 36-27-59, who withdraws from

1 service upon or after attainment of age 56 with at least ten
2 years of creditable service as a correctional officer,
3 firefighter, or law enforcement officer may retire upon
4 written application to the Board of Control setting forth at
5 what time, not less than 30 days nor more than 90 days
6 subsequent to the execution and filing thereof, he or she
7 desires to be retired; provided, that any such member who
8 became a member on or after October 1, 1963, shall have
9 completed 10 or more years of creditable service.

10 "(2) Any Tier I plan member who has attained age 60
11 and any Tier II plan member who has attained age 62, or in the
12 case of a Tier II plan member who is a correctional officer,
13 firefighter, or law enforcement officer as defined in Section
14 36-27-59, who has attained age 56 with at least ten years of
15 creditable service as a correctional officer, firefighter, or
16 law enforcement officer and has previously withdrawn from
17 service may retire upon written application to the Board of
18 Control setting forth at what time, not less than 30 days nor
19 more than 90 days subsequent to the execution and filing
20 thereof, he or she desires to be retired; provided, that the
21 member shall have completed at the time for his or her
22 withdrawal from service the requirements established by the
23 Board of Control for eligibility for deferred benefits
24 pursuant to Section 16-25-3.

25 "(3) Any person who is presently covered or is
26 eligible to be covered under the Employees' Retirement System
27 of Alabama or the Teachers' Retirement System of Alabama and

1 who, prior to such coverage or eligibility for coverage,
2 served as head of any Alabama county's public library service
3 department shall have credited to him or her one year of
4 creditable service for each year served as such head, not to
5 exceed 12 years; provided, that such person shall pay into the
6 retirement system the employee's part of the cost or
7 contribution based on the salary paid to such person during
8 the time of his or her service in the above capacity, with
9 such cost or contribution to be calculated at the percent or
10 rate in effect on October 1, 1973.

11 "(4) Any Tier I plan member of the Teachers'
12 Retirement System of Alabama, who withdraws from service after
13 the completion of at least 25 years of creditable service, may
14 retire upon written application to the Board of Control of the
15 Teachers' Retirement System setting forth at what time, not
16 less than 30 days nor more than 90 days subsequent to the
17 execution and filing thereof, he or she desires to be retired;
18 provided, that any such member who became a Tier I plan member
19 on or after October 1, 1963 shall have completed 10 or more
20 years of creditable service.

21 "(5) Any Tier II plan member of the Teachers'
22 Retirement System of Alabama participating pursuant to Section
23 36-27-6, and employed as a local correctional officer,
24 firefighter, or law enforcement officer, as defined in Section
25 36-27-59, who withdraws from service after completion of not
26 less than 25 years of creditable service as a local
27 correctional officer, firefighter, or law enforcement officer,

1 may retire without a reduction in retirement allowance upon
2 written application to the Board of Control of the Teachers'
3 Retirement System setting forth the first day of which month,
4 not less than 30 days nor more than 90 days subsequent to the
5 execution and filing thereof, he or she desires to be retired.

6 "(b) Upon retirement from service, a Tier I plan
7 member shall receive a service retirement allowance which
8 shall consist of:

9 "(1) An annuity which shall be the actuarial
10 equivalent of his or her accumulated contributions at the time
11 of his or her retirement;

12 "(2) A pension which shall be equal to the annuity
13 allowable at the age of retirement, but not to exceed an
14 annuity allowable at age 65 computed on the basis of
15 contributions made prior to the attainment of age 65; and

16 "(3) If he or she has a prior service certificate in
17 full force and effect, an additional pension which shall be
18 equal to the annuity which would have been provided at age of
19 retirement, but not to exceed an annuity allowable at age 65
20 by twice the contributions which he or she would have made
21 during the period of prior service with which he or she is
22 credited had the system been in operation and had he or she
23 contributed thereunder. In lieu of a determination of the
24 actual compensation of the members that was received during
25 such prior service, the Board of Control may use for the
26 purposes of this chapter the compensation rates which, if they
27 had progressed with the rates of salary increase shown in the

1 tables as prescribed in subsection (o) of Section 16-25-19,
2 would have resulted in the same average salary of the member
3 for the five years immediately preceding the date of
4 establishment as the records show the member actually
5 received.

6 "(c) The annual service retirement pension payable
7 to a Tier I plan member retiring on or after October 1, 1975,
8 shall not be less than an amount which when added to his or
9 her annuity is equal to the greater of the following two
10 amounts:

11 "(1) Two and one-eightieth percent of the member's
12 average final compensation multiplied by the number of years
13 of his or her creditable service; or

14 "(2) If he or she became a member before October 1,
15 1971, \$72 multiplied by the number of years of his or her
16 creditable service not in excess of 25 years.

17 "Notwithstanding, a member who retired prior to
18 October 1, 1971, under service retirement shall receive \$120
19 multiplied by the number of years of his or her creditable
20 service not in excess of 25 years.

21 "(d) Upon retirement from service, a Tier II plan
22 member shall receive a service retirement allowance which
23 shall consist of an annuity which shall be the actuarial
24 equivalent of the member's accumulated contributions at the
25 time of retirement and a pension which, when added to the
26 member's annuity, shall be equal to one and sixty-five
27 hundredths percent (1.65%) of the member's average final

1 compensation multiplied by the number of years of creditable
2 service. Notwithstanding the foregoing, the service retirement
3 allowance shall not exceed eighty percent (80%) of the
4 member's average final compensation.

5 "(e) Upon the application of a Tier I plan member in
6 service or of his or her employer, any member who has had 10
7 or more years of creditable service may be retired by the
8 Board of Control on a disability retirement allowance not less
9 than 30 nor more than 90 days next following the date of
10 filing such an application; provided, that the medical board,
11 after a medical examination of such member, shall certify that
12 such member is mentally or physically incapacitated for
13 further performance of duty, that such incapacity is likely to
14 be permanent, and that such member should be retired. Upon the
15 application of a Tier II plan member in service or of his or
16 her employer, any member who has had 10 or more years of
17 creditable service may be retired by the Board of Control on a
18 disability retirement allowance not less than 30 nor more than
19 90 days next following the date of filing such an application;
20 provided, that the medical board, after a medical examination
21 of such member, shall certify that the member is totally and
22 permanently mentally or physically incapacitated from regular
23 and substantial gainful employment, and that such member
24 should be retired.

25 "(f) Upon retirement for disability, a Tier I plan
26 member shall receive a service retirement allowance if he or
27 she has attained age 60 or if any law or part of any law

1 pertaining to retirement under the Teachers' Retirement System
2 of Alabama provides for service retirement after the
3 completion of 25 years of creditable service and the member
4 has completed 25 years of creditable service; otherwise, he or
5 she shall receive a disability retirement allowance which
6 shall consist of:

7 "(1) An annuity which shall be the actuarial
8 equivalent of his or her accumulated contributions at the time
9 of retirement; and

10 "(2) A pension which shall be equal to the pension
11 that would have been payable under subdivisions (2) and (3) of
12 subsection (b) of this section upon service retirement at age
13 60 had the member continued in service to that age without
14 change in compensation.

15 "The annual disability retirement pension shall not
16 be less than an amount which when added to his or her annuity
17 is equal to the greater of the following amounts:

18 "a. Two and one-eightieth percent of the member's
19 average final compensation multiplied by the number of years
20 of creditable service.

21 "b. If he or she became a member before October 1,
22 1971, \$54 multiplied by the number of years of his or her
23 creditable service not in excess of 25 years.

24 "Notwithstanding, a member who retired prior to
25 October 1, 1971, for disability shall receive \$90 multiplied
26 by the number of years of his or her creditable service not in
27 excess of 25 years.

1 "(g) Upon retirement for disability, a Tier II plan
2 member shall receive a service retirement allowance if the
3 member has attained age 62, or in the case of a Tier II plan
4 member who is a correctional officer, firefighter, or law
5 enforcement officer as defined in Section 36-27-59, if the
6 member has attained age 56 with at least ten years of
7 creditable service as a correctional officer, firefighter, or
8 law enforcement officer, otherwise, the member shall receive a
9 disability retirement allowance which shall be equal to one
10 and sixty-five hundredths percent (1.65%) of the member's
11 average final compensation multiplied by the number of years
12 of creditable service.

13 "(h) (1) Once each year during the first five years
14 following the retirement of a member on a disability
15 retirement allowance and once in every three-year period
16 thereafter, the Board of Control may and upon his or her
17 application shall require any disability beneficiary who has
18 not yet attained age 60 for a Tier I plan member or age 62 for
19 a Tier II plan member to undergo a medical examination, such
20 examination to be made at the place of residence of such
21 beneficiary or other place mutually agreed upon by a physician
22 of or designated by the medical board. Should any disability
23 beneficiary who has not yet attained age 60 for a Tier I plan
24 member or age 62 for a Tier II plan member refuse to submit to
25 such medical examination, his or her pension may be
26 discontinued until his or her withdrawal of such refusal, and
27 should his refusal continue for one year, all his or her

1 rights in and to his or her pension may be revoked by the
2 Board of Control; provided, that these requirements relative
3 to the medical examination shall not apply in the case of a
4 Tier II plan member who is a correctional officer,
5 firefighter, or law enforcement officer as defined in Section
6 36-27-59 retired for disability and who has attained age 56
7 with at least ten years of creditable service as a
8 correctional officer, firefighter, or law enforcement officer.

9 "(2) Should the medical board report and certify to
10 the Board of Control that a disability beneficiary who is a
11 Tier I plan member is engaged in or is able to engage in a
12 gainful occupation paying more than the difference between his
13 or her retirement allowance and his average final compensation
14 and should the Board of Control concur in such report, then
15 the amount of his or her pension shall be reduced to an amount
16 which, together with his or her annuity and the amount
17 earnable by him or her, shall equal the amount of his or her
18 average final compensation. Should his or her earning capacity
19 be later changed, the amount of his or her pension may be
20 further modified; provided, that the new pension shall not
21 exceed the amount of the pension originally granted nor an
22 amount which, when added to the amount earnable by the
23 beneficiary together with his or her annuity, equals the
24 amount of his or her average final compensation.

25 "(3) Should the medical board report and certify to
26 the Board of Control that a disability beneficiary who is a
27 Tier II plan member has the capacity to engage in regular and

1 substantial gainful employment, the Board of Control shall
2 discontinue the beneficiary's retirement allowance until the
3 beneficiary is otherwise eligible for service retirement.

4 "(i) (1) Should a member cease to be a teacher,
5 except by death or by retirement under the provisions of this
6 chapter, the contributions standing to the credit of his or
7 her individual account in the Annuity Savings Fund shall be
8 paid to him or her upon demand, and in addition to such
9 payment there shall be paid five-tenths of the interest
10 accumulations standing to the credit of his or her individual
11 account if he or she shall have not less than three but less
12 than 16 years of membership service, six-tenths of such
13 interest accumulations if he or she shall have not less than
14 16 but less than 21 years of membership service, seven-tenths
15 of such interest accumulations if he or she shall have not
16 less than 21 but less than 26 years of membership service, and
17 eight-tenths of such interest accumulations if he or she shall
18 have not less than 26 years of membership service.

19 "(2) In case of the death of a member eligible for
20 service retirement pursuant to subsection (a) of this section,
21 an allowance shall be paid to the surviving spouse, or to such
22 other person who the member shall have designated, in an
23 amount that would have been payable if the member had retired
24 immediately prior to his or her death and had elected Option
25 3, as set forth in subsection (j) of this section or,
26 alternatively, if the surviving spouse or other designee
27 desires, he or she may choose to receive, in lieu of the

1 allowance provided under Option 3, the accumulated
2 contributions of the member plus an amount equal to the
3 accumulated contributions of the member not to exceed \$5,000
4 or the accumulated contributions of the member plus the
5 benefit provided by Section 36-27B-3 if a benefit is payable
6 under such section.

7 "(3) Upon the death of a member on account of whom
8 no survivor allowance is payable under subdivision (2) of this
9 subsection, the accumulated contributions of the member plus
10 an amount equal to the accumulated contributions not to exceed
11 \$5,000 or the accumulated contributions of the member plus the
12 benefit provided by Section 36-27B-3 if a benefit is payable
13 under such section shall be paid to his or her estate or to
14 such person as he shall have nominated by written designation
15 duly executed and filed with the Board of Control.

16 "(j) With the provision the election of an option
17 shall be effective on the effective date of retirement, any
18 member may elect prior to retirement to receive, in lieu of
19 his or her retirement allowance payable throughout life, the
20 actuarial equivalent at that time of his or her retirement
21 allowance in a reduced retirement allowance payable throughout
22 life with the provision that:

23 "(1) OPTION 1. If he or she dies before he or she
24 has received in annuity payments the present value of his or
25 her annuity as it was at the time of his or her retirement,
26 the balance shall be paid to his or her legal representatives
27 or to such person as he or she shall nominate by written

1 designation duly acknowledged and filed with the Board of
2 Control;

3 "(2) OPTION 2. Upon his or her death, his or her
4 reduced retirement allowance shall be continued throughout the
5 life of and paid to such person as he or she shall nominate by
6 written designation duly acknowledged and filed with the Board
7 of Control at the time of his or her retirement;

8 "(3) OPTION 3. Upon his or her death, one half of
9 his or her reduced retirement allowance shall be continued
10 throughout the life of and paid to such person as he or she
11 shall nominate by written designation duly acknowledged and
12 filed with the Board of Control at the time of his or her
13 retirement; or

14 "(4) OPTION 4. Some other benefit or benefits shall
15 be paid either to the member or to such person or persons as
16 he or she shall nominate; provided, that such other benefit or
17 benefits, together with the reduced retirement allowance,
18 shall be certified by the actuary to be of equivalent
19 actuarial value to his or her retirement allowance and shall
20 be approved by the Board of Control.

21 "(k) Should any beneficiary be restored to active
22 service, his or her retirement allowance shall be suspended
23 until he or she again withdraws from service and, he or she
24 shall not again become a member, nor shall he or she make
25 contributions; except, that should such beneficiary who has
26 been restored to active service continue in service for a
27 period of two or more years from the date of his or her

1 reentry into active service, he or she may request the Board
2 of Control to allow him or her to again become a member of the
3 retirement system. The Board of Control may grant the request
4 for restoration to membership; provided, that such beneficiary
5 whose retirement allowance has been suspended shall repay to
6 the system all moneys received by him or her as benefits
7 during any period subsequent to the date of his or her reentry
8 into active service; provided further, that he or she shall
9 make a contribution equal to the amount he or she would have
10 contributed had he or she been a member during the period of
11 his or her restoration to active service on a suspended
12 allowance basis, together with the interest which would have
13 been credited to the contributions on account of such period
14 of restoration up to the date such contribution is made.

15 "(1) (1) All retirement allowance payments due on or
16 after October 1, 1975, to members who retired prior to October
17 1, 1975, shall be redetermined as if the provisions of
18 subsections (b) and (e) of this section which became effective
19 on said date were in effect at the time the member retired;
20 provided, that the annual retirement allowance of any member
21 who retired on or before January 1, 1956, shall be not less
22 than \$132 multiplied by the number of years of his or her
23 creditable service not in excess of 30 years in the case of
24 service retirement or \$99 multiplied by the number of years of
25 creditable service not in excess of 30 years in the case of
26 disability retirements. Any increase provided in the
27 retirement allowance payment under this subsection for a

1 member who retired under the provisions of any optional
2 benefit elected pursuant to subsection (j) of this section
3 shall accrue only to the retired member, and no person
4 designated to receive any payments after the death of a
5 retired member under the provisions of any such optional
6 benefit shall receive any increase in such payments under this
7 subsection.

8 "(2) Any person who served at least 30 years as a
9 teacher in the public schools of Alabama and was never a
10 member of the system and who, prior to October 1, 1963, was in
11 receipt of a benefit for old age assistance pursuant to
12 subsections (1) and (2) of Section 1 of Act 116, approved
13 August 24, 1959, shall be entitled to receive an annual
14 retirement allowance of \$3,960 from the system, effective as
15 of October 1, 1973.

16 "(3) Prior to October 31, 1975 any beneficiary may
17 elect to leave on deposit with the system all or a specified
18 part of any increase in his or her monthly retirement
19 allowance payments arising in accordance with subdivision (1)
20 or (2) of this subsection. The portion of each monthly payment
21 left in the system in accordance with such election shall be
22 credited, together with regular interest thereon, to the
23 individual account of such beneficiary. Upon the death of such
24 beneficiary, the total amount standing to his or her credit,
25 including regular interest to the date of death, shall be paid
26 in a lump sum to his or her legal representative or to such
27 person as he or she shall have nominated by written

1 designation duly acknowledged and filed with the Board of
2 Control.

3 "(m) Notwithstanding any other provisions of this
4 section to the contrary, when a designated beneficiary for a
5 member predeceases the member who is receiving a monthly
6 benefit allowance provided under Option 2, 3, or 4, the member
7 may designate a replacement beneficiary for the deceased
8 beneficiary to become effective two years after the date of
9 designation of the replacement beneficiary and an actuarial
10 adjustment in the monthly benefit allowance of the member to
11 cover any cost associated with designating a replacement
12 beneficiary shall be reflected thereafter in the monthly
13 benefit allowance received by the member, commencing with the
14 first benefit allowance check received by the member following
15 the date of designation of the replacement beneficiary.

16 "(n) Notwithstanding any provision of this section
17 to the contrary, if a retired member who is receiving a
18 monthly benefit allowance provided under Option 2, 3, or 4
19 divorces his or her designated beneficiary, the member may
20 designate a replacement beneficiary for the beneficiary to
21 become effective two years after the date of designation of
22 the replacement beneficiary and an actuarial adjustment in the
23 monthly benefit allowance of the member to cover any cost
24 associated with designating a replacement beneficiary shall be
25 reflected thereafter in the monthly benefit allowance received
26 by the member, commencing with the first benefit allowance

1 check received by the member following the date of designation
2 of the replacement beneficiary.

3 "(o) Any future act to increase the retirement age
4 for Tier II plan members above the age of 62 shall require a
5 two-thirds vote of the elected membership of each house of the
6 Legislature.

7 "§16-25-21.

8 "Effective October 1, 1997, all the assets of the
9 retirement system shall be credited according to the purpose
10 for which they are held among three funds, namely: The Annuity
11 Savings Fund, the Pension Accumulation Fund, and the Expense
12 Fund. The operation of the former Pension Reserve Fund and the
13 Annuity Reserve Fund shall be discontinued as of such date,
14 the balance of the former Pension Reserve Fund shall be
15 transferred to the Pension Accumulation Fund, and the balance
16 of the former Annuity Reserve Fund shall be transferred to the
17 Pension Accumulation Fund.

18 "(1) The Annuity Savings Fund shall be a fund in
19 which shall be accumulated contributions from the compensation
20 of members to provide for their annuities. Contributions to
21 and payments from the Annuity Savings Fund shall be made as
22 follows:

23 "a. Each employer shall cause to be deducted from
24 the salary of each member on each and every payroll of such
25 employer for each and every payroll period five percent of his
26 or her earnable compensation. For all pay dates beginning on
27 or after October 1, 2011, each employer shall cause to be

1 deducted from the salary of each member on each and every
2 payroll of such employer for each and every payroll period
3 seven and one-quarter percent (7.25%) of his or her earnable
4 compensation. For all pay dates beginning on or after October
5 1, 2012, each employer shall cause to be deducted from the
6 salary of each Tier I plan member on each and every payroll of
7 such employer for each and every payroll period seven and
8 one-half percent (7.5%) of his or her earnable compensation.
9 For all pay dates beginning on or after January 1, 2013, each
10 employer shall cause to be deducted from the salary of each
11 Tier II plan member on each and every payroll period six
12 percent (6%) of his or her earnable compensation; except in
13 the case of a Tier II plan member who is a correctional
14 officer, firefighter, or law enforcement officer as defined in
15 Section 36-27-59, the rate of seven percent (7%) shall apply.
16 Subject to Section 36-27-59, for all pay dates beginning on or
17 after October 1, 2017, each employer shall cause to be
18 deducted from the salary of each Tier II plan member
19 participating pursuant to Section 36-27-6, and employed as a
20 local correctional officer, firefighter, or law enforcement
21 officer as defined in Section 36-27-59, on each and every
22 payroll period seven and one-half percent (7.5%) of his or her
23 earnable compensation. In determining the amount earnable by a
24 member in a payroll period, the Board of Control may consider
25 the rate of annual compensation payable to such member on the
26 first day of the payroll period as continuing throughout such
27 payroll period, and it may omit deductions from compensation

1 for any period less than a full payroll period if a teacher
2 was not a member on the first day of the payroll period, and
3 to facilitate the making of deductions it may modify the
4 deduction required of any member by such an amount as shall
5 not exceed one tenth of one percent of the annual compensation
6 upon the basis of which such deduction is to be made.

7 "b. The deductions provided for herein shall be made
8 notwithstanding that the minimum compensation provided for by
9 law for any member shall be reduced thereby. Every member
10 shall be deemed to consent and agree to the deduction made and
11 provided for herein and shall receipt for his or her full
12 salary or compensation, and payment of salary or compensation
13 less such deduction shall be a full and complete discharge and
14 acquittance of all claims and demands whatsoever for the
15 service rendered by such person during the period covered by
16 such payment, except as to the benefits provided under this
17 chapter. The employer shall certify to the Board of Control on
18 each and every payroll or in such other manner as the board
19 may prescribe the amount to be deducted; and each of the
20 amounts shall be deducted, and when deducted shall be paid
21 into the Annuity Savings Fund and shall be credited, together
22 with regular interest thereon, to the individual account of
23 the member from whose compensation the deduction was made.

24 "c. In addition to the contributions deducted from
25 compensation as hereinbefore provided, subject to the approval
26 of the Board of Control, any member may deposit in the Annuity
27 Savings Fund by a single payment or by an increased rate of

1 contribution an amount computed to be sufficient to purchase
2 an additional annuity which, together with his or her
3 prospective retirement allowance, will provide for him or her
4 a total retirement allowance not to exceed one half of his or
5 her average final compensation at age 60. Such additional
6 amounts so deposited shall become a part of his or her
7 accumulated contributions except in the case of retirement,
8 when they shall be treated as excess contributions returnable
9 to the member in cash or as an annuity of equivalent actuarial
10 value and shall not be considered in computing his or her
11 pension. The contributions and interest credits of a member
12 withdrawn by him or her, or paid to his or her estate or to
13 his or her designated beneficiary in event of his or her
14 death, shall be paid from the Annuity Savings Fund. Should a
15 member cease to be a member other than by retirement under the
16 provisions of this title, an amount equivalent to the
17 difference, if any, between his or her accumulated
18 contributions and the amount then paid shall be transferred to
19 the Expense Fund. Upon the retirement of a member or the death
20 of an eligible member where an allowance to the surviving
21 spouse is payable, his or her accumulated contributions shall
22 be transferred from the Annuity Savings Fund to the Pension
23 Accumulation Fund.

24 "d. Notwithstanding the preceding provisions, no
25 deductions shall be made from any member's salary on account
26 of which the employer's contribution is in default.

1 "(2) The Pension Accumulation Fund shall be the fund
2 in which shall be accumulated all reserves, other than amounts
3 held in the Annuity Savings Fund for the payment of all
4 pensions and other benefits. Contributions to and payments
5 from the Pension Accumulation Fund shall be made as follows:

6 "a. On account of each member there shall be paid
7 monthly by the employer an amount equal to a certain
8 percentage of the earnable compensation of each member to be
9 known as the "normal contribution" and an additional amount
10 equal to a percentage of his or her earnable compensation to
11 be known as the "accrued liability contribution," and these
12 two amounts shall be paid monthly into the Pension
13 Accumulation Fund. The Teachers' Retirement System shall
14 recommend to the Legislature on or before the first
15 legislative day of each regular session of the Legislature the
16 rate for the following fiscal year. The Legislature shall set
17 the rate in the annual appropriation bill.

18 "b. On the basis of regular interest and of such
19 mortality and other tables as shall be adopted by the Board of
20 Control, the actuary engaged by the board to make such
21 valuation required by this title shall, immediately after
22 making such valuation, determine the uniform and constant
23 percentage of the earnable compensation of the average new
24 entrant which, if contributed on the basis of his or her
25 compensation throughout his or her entire period of active
26 service, would be sufficient to provide for the payment of any
27 pension payable on his or her account. The rate per centum so

1 determined shall be known as the "normal contribution" rate.
2 The normal contribution rate shall be determined by the
3 actuary after each valuation.

4 "c.1. The accrued liability contribution rate shall
5 be computed by the actuary on the basis of each valuation as
6 the per centum rate of the total annual compensation of all
7 members which is sufficient to liquidate the unfunded accrued
8 liability over a period to be determined by the Board of
9 Control which shall be not less than 10 nor more than 30
10 years.

11 "2. The unfunded accrued liability shall be computed
12 by the actuary as the total liabilities of the system which
13 are not dischargeable by the assets of the Annuity Savings
14 Fund and the Pension Accumulation Fund and the present value
15 of the aforesaid normal contributions. For purposes of
16 computing the unfunded accrued liability the assets shall be
17 determined as follows:

18 "On June 30, 1997, the assets shall be determined by
19 using the market value of such assets. For subsequent years
20 the value of the assets shall be determined by the system's
21 actuary using a five year smoothed market value.

22 "d. The total amount payable in each year to the
23 Pension Accumulation Fund shall be not less than the sum of
24 the per centum rates known as the normal contribution rate and
25 the accrued liability contribution rate of the total
26 compensation earnable by all members during the year.

1 "e. All interest and dividends earned on the funds
2 of the retirement system shall be credited to the Pension
3 Accumulation Fund. The amounts needed to allow regular
4 interest on the reserves in the Annuity Savings Fund shall be
5 transferred in accordance with the provisions of this chapter
6 from the Pension Accumulation Fund. The Board of Control, in
7 its discretion, may transfer to and from the Pension
8 Accumulation Fund the amount of any surplus or deficit which
9 may develop in the Annuity Savings Fund or the Expense Fund.

10 "f. Upon the death of a member on account of whom no
11 survivor allowance is payable under subdivision (2) of
12 subsection (i) of Section 16-25-14, the death benefit as
13 provided in subdivision 2 of subsection (i) of such section
14 equal to the accumulated contributions not to exceed \$5,000
15 shall be payable from the Pension Accumulation Fund.

16 "(3) The Expense Fund shall be the fund from which
17 the expenses of the administration of the retirement system
18 shall be paid, exclusive of amounts payable as retirement
19 allowances and as other benefits provided herein. Any amounts
20 credited to the accounts of members withdrawing before
21 retirement and not returnable under the provisions of
22 subsection (i) of Section 16-25-14 shall be credited to the
23 Expense Fund. Any additional contributions required to meet
24 the expenses of the retirement system shall be made as
25 provided in paragraphs c., d., and e. of subdivision (4) of
26 this section.

1 "(4)a. On or before October 1 of each year, each
2 local board of education, the State Board of Education, the
3 governing boards of the University of Alabama, Auburn
4 University, and the University of Montevallo and the Executive
5 Committee of the Alabama Education Association shall file with
6 the Board of Control of the retirement system a certified
7 statement containing the following information concerning the
8 members of the retirement system employed by such boards for
9 the scholastic year beginning on July first preceding the
10 date: Name, address, monthly salary, annual salary, and such
11 other information as the Board of Control may require. On or
12 before July 31 of each year, each local board of education;
13 the State Board of Education; the governing boards of the
14 University of Alabama, Auburn University, and the University
15 of Montevallo and the Executive Committee of the Alabama
16 Education Association shall file with the Board of Control of
17 the retirement system a certified statement containing the
18 following information concerning members of the retirement
19 system employed by such boards during the scholastic year
20 ending on June 30 preceding the date: Name, address, monthly
21 salary actually paid, total annual salary actually paid, and
22 such other information as the Board of Control may require.

23 "b. The collection of members' contributions shall
24 be as follows: Each local board of education, the State Board
25 of Education, the governing boards of the University of
26 Alabama, Auburn University, and the University of Montevallo
27 and the Executive Committee of the Alabama Education

1 Association shall cause to be deducted on each and every
2 payroll period subsequent to the date of the establishment of
3 the retirement system the contributions payable by each member
4 as provided in this chapter. Each employer shall transmit
5 monthly, or at such time as the Board of Control shall
6 designate, the total amount so deducted to the
7 Secretary-Treasurer of the Board of Control accompanied by an
8 itemized statement of the contributions of each individual
9 member of the retirement system. The Secretary-Treasurer of
10 the Board of Control after making a record of all such
11 receipts shall transmit the same to the State Treasurer to be
12 held for use according to the provisions of this chapter.
13 Notwithstanding anything in this section, the Board of Control
14 may modify the form of reports required of employers and may
15 modify the method of collecting the contributions of members
16 so that employers may retain the amounts so deducted and have
17 a corresponding amount deducted from funds otherwise payable
18 to them.

19 "c. The employer's contributions shall be made from
20 the same funds used to pay salaries based on the employer cost
21 rate determined under paragraph a. of subdivision (2).

22 "d. Where member contributions are made from
23 salaries paid from federal funds, the employer shall pay from
24 federal funds to the Teachers' Retirement System the amount
25 calculated as a percentage of the salaries of those teachers
26 to be contributed by the employer in accordance with
27 subdivisions (2) and (3) of this section. Such amounts shall

1 be paid at the same time as the member contributions are made
2 to the retirement system. The provisions of this paragraph
3 shall not apply to funds received under the provisions of the
4 Hatch Act of 1887, as amended in 1955, and the
5 McIntyre-Stennis Act (Cooperative Forestry Research Act of
6 1962) of the Congress of the United States, for the support of
7 agriculturally related research.

8 "e. Where member contributions are made from
9 salaries paid by the Alabama Education Association, the
10 Alabama Education Association shall pay the employer costs
11 calculated as a percentage of the salaries of those employees
12 to be contributed as employer in accordance with subdivisions
13 (2) and (3) of this section. Such amounts shall be paid
14 monthly and at the same time as the member contributions are
15 made to the Teachers' Retirement System.

16 "f. To the extent that employer cost is collected
17 for any increase in benefits payable to retired employees of
18 local boards of education and state institutions of higher
19 education who are retired under the Employees' Retirement
20 System, there shall be a transfer of funds from these funds to
21 the Employees' Retirement System for each year such benefits
22 are payable.

23 "g. Employer cost provided for in this article
24 together with member contributions required under this article
25 shall be paid to the Teachers' Retirement System on the first
26 day of the month following the month in which the related
27 member salary is earned. Delinquent accounts shall accrue

1 interest at the actuarial assumed investment rate beginning 30
2 days after the original due date. The member contributions for
3 each member shall be reported to the Teachers' Retirement
4 System in a format prescribed by the Teachers' Retirement
5 System.

6 "§36-27-16.

7 "(a) (1) RETIREMENT, ETC., OF EMPLOYEES GENERALLY;
8 ELIGIBILITY FOR SERVICE RETIREMENT BENEFITS.

9 "a. Any Tier I plan member who withdraws from
10 service upon or after attainment of age 60 and any Tier II
11 plan member who withdraws from service upon or after
12 attainment of age 62 may retire upon written application to
13 the Board of Control setting forth at what time, not less than
14 30 days nor more than 90 days subsequent to the execution and
15 filing thereof, he or she desires to be retired; provided,
16 that any such member who became a member on or after October
17 1, 1963, shall have completed 10 or more years of creditable
18 service; provided further, that a Tier I plan member employed
19 as a state policeman shall be eligible to file application for
20 service retirement upon attaining age 52 and a Tier II plan
21 member employed as a state policeman or employed as a
22 correctional officer, firefighter, or law enforcement officer
23 as defined in Section 36-27-59 with at least ten years of
24 creditable service as a correctional officer, firefighter, or
25 law enforcement officer shall be eligible to file application
26 for service retirement upon attaining age 56.

1 "b. Any Tier I plan member who has attained age 60,
2 or age 52 in the case of a state policeman and any Tier II
3 plan member who has attained age 62, or age 56 in the case of
4 a state policeman or in the case of a correctional officer,
5 firefighter, or law enforcement officer as defined in Section
6 36-27-59 who has at least ten years of creditable service as
7 a correctional officer, firefighter, or law enforcement
8 officer, and has previously withdrawn from service may retire
9 upon written application to the Board of Control setting forth
10 at what time, not less than 30 days nor more than 90 days
11 subsequent to the execution and filing thereof, he or she
12 desires to be retired; provided, the member shall have at the
13 time of his or her withdrawal from service completed the age
14 and service requirements established by the Board of Control
15 for eligibility for deferred benefits; provided, that such
16 minimum number of years of creditable service shall not be
17 less than 10 years nor more than 25 years.

18 "c. In addition to any law or part of law relating
19 to service retirement under the Employees' Retirement System
20 of Alabama, any Tier I plan member of the Employees'
21 Retirement System who withdraws from service after completion
22 of not less than 25 years of creditable service may retire
23 without a reduction in retirement allowance upon written
24 application to the Board of Control of the Employees'
25 Retirement System setting forth the first day of which month,
26 not less than 30 days or more than 90 days subsequent to the
27 execution and filing thereof, he or she desires to be retired,

1 provided that no person whose employer participates in the
2 Employees' Retirement System under Section 36-27-6 shall be
3 entitled to the benefits provided in this paragraph unless
4 such employer elects to come under the provisions of the
5 paragraph. Any employer making such election must bear the
6 cost of such benefit.

7 "d. Any Tier II plan member participating pursuant
8 to Section 36-27-6, and employed as a local correctional
9 officer, firefighter, or law enforcement officer as defined in
10 Section 36-27-59, who withdraws from service after completion
11 of not less than 25 years of creditable service as a local
12 correctional officer, firefighter, or law enforcement officer,
13 may retire without a reduction in retirement allowance upon
14 written application to the Board of Control of the Employees'
15 Retirement System setting forth the first day of which month,
16 not less than 30 days nor more than 90 days subsequent to the
17 execution and filing thereof, he or she desires to be retired.

18 "(2) AMOUNT OF SERVICE RETIREMENT ALLOWANCE.

19 "a. Upon retirement from service a Tier I plan
20 member shall receive a service retirement allowance which
21 shall consist of:

22 "1. An annuity which shall be the actuarial
23 equivalent of his or her accumulated contributions at the time
24 of his or her retirement; except, that in the case of a state
25 policeman who has completed 20 years of creditable service as
26 a state policeman who retires after age 56 but prior to age
27 60, the annuity shall be equal to the annuity that would have

1 been payable upon service retirement at age 60 had the member
2 continued in service to age 60 without change in compensation;

3 "2. A pension which shall be equal to the annuity
4 allowance at age of retirement, but not to exceed an annuity
5 allowable at age 65, computed on the basis of contributions
6 made prior to attainment of age 65; except, that in the case
7 of a state policeman who has completed 20 years of creditable
8 service as a state policeman who retires after age 56 but
9 prior to age 60, the pension shall be equal to the annuity
10 that he or she would have received had he or she contributed
11 to age 60 without change in compensation; and

12 "3. An additional pension, if he or she has a prior
13 service certificate in full force and effect, which shall be
14 equal to the annuity which would have been provided at the age
15 of retirement, but which shall not exceed an annuity allowable
16 at age 65 by twice the contributions which he or she would
17 have made during the period of prior service with which he or
18 she is credited had the system been in operation and had he or
19 she contributed thereunder; except, that in case of a state
20 policeman who has completed 20 years of creditable service as
21 a state policeman who retired after age 56 but prior to age
22 60, an additional pension, if he or she has a prior service
23 certificate in full force and effect, which shall be equal to
24 the annuity which would have been provided at age 60, but
25 which shall not exceed an annuity allowable at age 60 by twice
26 the contributions which he or she would have made during the
27 period of prior service with which he or she is credited had

1 the system been in operation and had he or she contributed
2 thereunder.

3 "b. Notwithstanding the provisions of subparagraphs
4 1, 2, and 3 of paragraph a. of this subdivision, a state
5 policeman who is a Tier I plan member and who has completed 20
6 years of service as a state policeman who retires after age 52
7 but prior to age 56 shall receive:

8 "1. An annuity which shall be equal to the annuity
9 that would have been payable had the member continued in
10 service for four years without change in compensation;

11 "2. A pension which shall be equal to the annuity
12 that he or she would have received had he or she contributed
13 for four years without change in compensation; and

14 "3. An additional pension, if he or she has a prior
15 service certificate in full force and effect, which shall be
16 equal to the annuity which would have been provided at the age
17 of retirement, but which shall not exceed an annuity allowable
18 at the age of retirement plus four years by twice the
19 contributions which he or she would have made during the
20 period of prior service with which he or she is credited had
21 the system been in operation and had he or she contributed
22 thereunder. In lieu of a determination of the actual
23 compensation of a member that was received during such prior
24 service, the Board of Control may use for the purpose of this
25 article the compensation rate which, if it had progressed with
26 the rates of salary increase shown in the tables as prescribed
27 in subsection (n) of Section 36-27-23, would have resulted in

1 the same average salary of the member for the five years
2 immediately preceding the date of establishment as the records
3 show the member actually received.

4 "c. The annual service retirement pension payable to
5 a Tier I plan member not employed as a state policeman
6 retiring on or after October 1, 1975, shall not be less than
7 an amount which, when added to his or her annuity, is equal to
8 the greater of the following two amounts:

9 "1. Two and one-eightieth percent of the member's
10 average final compensation multiplied by the number of years
11 of his or her creditable service; or

12 "2. If he or she became a member before October 1,
13 1965, \$72.00 multiplied by the number of years of his or her
14 creditable service not in excess of 25 years.

15 "d. The annual service retirement pension payable to
16 a Tier I plan member employed as a state policeman retiring on
17 or after October 1, 1975, shall not be less than an amount
18 which, when added to his or her annuity is equal to the
19 greater of the following two amounts:

20 "1. Two and seven-eighths percent of the member's
21 average final compensation multiplied by the number of years
22 of his or her creditable service. Creditable service for any
23 state policeman under the age of 56 years who has completed 20
24 years of creditable service as a state policeman shall include
25 a bonus equal to four additional years. Creditable service for
26 a state policeman 56 years or older shall include a bonus

1 equal to the years or portion thereof remaining until the
2 member reaches age 60; or

3 "2. If he or she became a member before October 1,
4 1965, \$86.40 multiplied by the number of years of his or her
5 creditable service not in excess of 25 years; provided,
6 however, that if such member has completed 20 years of
7 creditable service as a state policeman and has not attained
8 age 60 at the time of retirement, the pension shall be
9 determined as provided in this subparagraph on the basis of
10 the number of years of creditable service which he or she
11 would have had if he or she had remained in service for four
12 years, except that, in the case of those state policemen
13 retiring at age 56 or after, the number of years in
14 determining the pension shall not exceed the number of years
15 of creditable service which he or she would have had if he or
16 she had remained in service to age 60.

17 "e. Upon retirement from service, a Tier II plan
18 member who is not employed as a state policeman shall receive
19 a service retirement allowance which shall consist of an
20 annuity which shall be the actuarial equivalent of the
21 member's accumulated contributions at the time of retirement
22 and a pension which, when added to the member's annuity, shall
23 be equal to one and sixty-five hundredths percent (1.65%) of
24 the member's average final compensation multiplied by the
25 number of years of creditable service. Notwithstanding the
26 foregoing, the service retirement allowance shall not exceed

1 eighty percent (80%) of the member's average final
2 compensation.

3 "f. Upon retirement from service, a Tier II plan
4 member who is employed as a state policeman shall receive a
5 service retirement allowance which shall consist of an annuity
6 which shall be the actuarial equivalent of the member's
7 accumulated contributions at the time of retirement and a
8 pension which, when added to the member's annuity, shall be
9 equal to two and three-eighths percent (2.375%) of the
10 member's average final compensation multiplied by the member's
11 number of years of creditable service. Notwithstanding the
12 foregoing, the service retirement allowance shall not exceed
13 eighty percent (80%) of the member's average final
14 compensation.

15 "g. Anything in this article to the contrary
16 notwithstanding, in the application of the foregoing
17 provisions of this subdivision to a member whose creditable
18 service includes a period of service as a state policeman and
19 a period of service in another employment classification, the
20 benefit rates applicable to a member employed as a state
21 policeman shall apply to all creditable service as a state
22 policeman, and the benefit rates applicable to a member not
23 employed as a state policeman shall apply to all creditable
24 service, but in all other respects the pension under this
25 subdivision shall be determined on the basis of the member's
26 employment classification at the time of his or her withdrawal
27 from service.

1 "h. The annual service retirement pension payable to
2 any state employee who had attained age 60 on or before
3 October 1, 1945, who declined membership in the Employees'
4 Retirement System of Alabama in the manner prescribed in
5 Section 36-27-4 and who retires as a state employee after
6 completing a minimum of 15 years' service shall be \$72.00
7 multiplied by the number of years of his or her service not in
8 excess of 25 years.

9 "(b) (1) RETIREMENT OF DISABLED EMPLOYEES;
10 ELIGIBILITY FOR DISABILITY RETIREMENT BENEFITS.

11 "a. Upon application of a Tier I plan member in
12 service or of his or her employer, any member who has had 10
13 or more years of creditable service who becomes disabled may
14 be retired on a disability retirement allowance by the Board
15 of Control not less than 30 nor more than 90 days next
16 following the date of filing of such application; provided,
17 that the medical board, after a medical examination of such
18 member, shall certify that such member is mentally or
19 physically incapacitated for the further performance of duty,
20 that such incapacity is likely to be permanent and that such
21 member should be retired. Upon the application of a Tier II
22 plan member in service or his or her employer, any member who
23 has had 10 or more years of creditable service may be retired
24 by the Board of Control on a disability retirement allowance
25 not less than 30 nor more than 90 days next following the date
26 of filing such application; provided, that the medical board,
27 after a medical examination of such member, shall certify that

1 the member is totally and permanently mentally or physically
2 incapacitated from regular and substantial gainful employment,
3 and that such member should be retired.

4 "b. Without regard to the number of years of
5 creditable service, a member employed as a state policeman, a
6 municipal police officer or a deputy sheriff, or a member
7 employed as a state, municipal, or county firefighter who is
8 not covered through his or her current employer under the
9 United States Social Security Act, who as a result of his or
10 her employment, in the line of duty and not as a result of his
11 or her own misconduct, shall become permanently and totally
12 disabled to the extent that he or she cannot perform his or
13 her duties or duties of a less strenuous nature, as an
14 employee of the State of Alabama or as an employee of an
15 employer participating under the provisions of Section
16 36-27-6, shall be retired on a disability retirement
17 allowance, not less than 30 nor more than 90 days next
18 following the date of filing of such application, provided
19 that the medical board, after a medical examination of such
20 member shall certify that such member is mentally or
21 physically incapacitated for the further performance of duty,
22 that such incapacity is likely to be permanent, and that such
23 member should be retired.

24 "(2) AMOUNT OF DISABILITY RETIREMENT ALLOWANCE.

25 "a. Upon retirement for disability a member shall
26 receive a service retirement allowance if he or she is a Tier
27 I plan member and he or she has attained age 60 or if he or

1 she is a Tier II plan member and he or she has attained age
2 62, or if any law or part of any law pertaining to retirement
3 under the Employees' Retirement System of Alabama provides for
4 service retirement after the completion of 25 years of
5 creditable service without a reduction in the retirement
6 allowance and the member has completed 25 years of creditable
7 service, or, in the case of a state policeman, if he or she is
8 a Tier I plan member and he or she has attained age 52 or, in
9 the case of a state policeman or a correctional officer,
10 firefighter, or law enforcement officer as defined in Section
11 36-27-59 with at least ten years of creditable service as a
12 correctional officer, firefighter, or law enforcement officer,
13 if he or she is a Tier II plan member and he or she has
14 attained age 56; otherwise, he or she shall receive a
15 disability retirement allowance which shall consist of:

16 "1. An annuity which shall be the actuarial
17 equivalent of his or her accumulated contributions at the time
18 of his or her retirement;

19 "2. A pension which shall be equal to the pension
20 that would have been payable under subparagraphs 2 and 3 of
21 paragraph a. of subdivision (2) of subsection (a) of this
22 section upon service retirement at age 65 had the member
23 continued in service to that age without change in
24 compensation.

25 "b. The annual disability retirement pension payable
26 to a Tier I plan member not employed as a state policeman
27 retiring on or after October 1, 1975, shall not be less than

1 an amount which when added to his or her annuity is equal to
2 the greatest of the following two amounts:

3 "1. Two and one-eightieth percent of the member's
4 average final compensation multiplied by the number of years
5 of creditable service.

6 "2. If he or she became a member before October 1,
7 1965, \$54.00 multiplied by the number of years of his or her
8 creditable service not in excess of 25 years.

9 "c. The annual disability retirement pension payable
10 to a Tier I plan member employed as a state policeman retiring
11 on or after October 1, 1975, shall not be less than an amount
12 which when added to his or her annuity is equal to the greater
13 of the following two amounts:

14 "1. Two and seven-eighths percent of the member's
15 average final compensation multiplied by the number of years
16 of his or her creditable service. Creditable service for any
17 state policeman under the age of 56 years who has completed 20
18 years of creditable service as a state policeman shall include
19 a bonus equal to four additional years. Creditable service for
20 a state policeman 56 years or older shall include a bonus
21 equal to the years or portion thereof remaining until the
22 member reaches age 60; or

23 "2. If he or she became a member before October 1,
24 1965, \$64.80 multiplied by the number of years of his or her
25 creditable service not in excess of 25 years.

26 "d. The annual disability retirement allowance
27 payable to a Tier II plan member not employed as a state

1 policeman shall be equal to one and sixty-five hundredths
2 percent (1.65%) of the member's average final compensation
3 multiplied by the number of years of creditable service.

4 "e. The annual disability retirement allowance
5 payable to a Tier II plan member employed as a state policeman
6 shall be equal to two and three-eighths percent (2.375%) of
7 the member's average final compensation multiplied by the
8 number of years of creditable service.

9 "f. Anything in this chapter to the contrary
10 notwithstanding in the application of the provisions of this
11 subdivision to a member whose creditable service includes a
12 period of service as a state policeman and a period of service
13 in another employment classification the benefit rates
14 applicable to a member employed as a state policeman shall
15 apply to all creditable service as a state policeman, and the
16 benefit rates applicable to a member not employed as a state
17 policeman shall apply to all other creditable service, but in
18 all other respects the pension under this subdivision shall be
19 determined on the basis of the member's employment
20 classification at the time of his or her withdrawal from
21 service.

22 "(3) REEXAMINATION OF BENEFICIARIES RETIRED ON
23 ACCOUNT OF DISABILITY. Once each year during the first five
24 years following the retirement of a member on a disability
25 retirement allowance and once every three-year period
26 thereafter, the Board of Control may, and upon his or her
27 application shall, require any disability beneficiary who has

1 not yet attained age 60 if the beneficiary is a Tier I plan
2 member or age 62 if the beneficiary is a Tier II plan member
3 to undergo a medical examination, such examination to be made
4 at the place of residence of such beneficiary or other place
5 mutually agreed upon by a physician or physicians of or
6 designated by the medical board. Should any disability
7 beneficiary who has not yet attained age 60 if the beneficiary
8 is a Tier I plan member or age 62 if the beneficiary is a Tier
9 II plan member refuse to submit to such medical examination,
10 his or her allowance may be discontinued until his or her
11 withdrawal of such refusal, and, should his or her refusal
12 continue for one year, all his or her rights in and to his or
13 her pension may be revoked by the Board of Control; provided,
14 that these requirements relative to the medical examination
15 shall not apply in the case of a state policeman retired for
16 disability and who has attained age 52 if he or she is a Tier
17 I plan member or in the case of a state policeman or a
18 correctional officer, firefighter, or law enforcement officer
19 as defined in Section 36-27-59 with at least ten years of
20 creditable service as a correctional officer, firefighter, or
21 law enforcement officer retired for disability who has
22 attained age 56 if he or she is a Tier II plan member. Should
23 the medical board report and certify to the Board of Control
24 that a disability beneficiary who is a Tier I plan member is
25 engaged in or is able to engage in a gainful occupation paying
26 more than the difference between his or her retirement
27 allowance and his or her average final compensation and should

1 the Board of Control concur in such report, then the amount of
2 his or her pension shall be reduced to an amount which,
3 together with his or her annuity and the amount earnable by
4 him or her shall equal the amount of his or her average final
5 compensation. Should his or her earning capacity be later
6 changed, the amount of his or her pension may be further
7 modified; provided, that the new pension shall not exceed the
8 amount of the pension originally granted nor an amount which,
9 when added to the amount earnable by the beneficiary, together
10 with this annuity exceeds the amount of his or her average
11 final compensation.

12 "Should the medical board report and certify to the
13 Board of Control that a disability beneficiary who is a Tier
14 II plan member has the capacity to engage in regular and
15 substantial gainful employment, the Board of Control shall
16 discontinue the beneficiary's retirement allowance until the
17 beneficiary is otherwise eligible for service retirement.

18 "(c) Disposition of contributions and allowances
19 upon death, etc., of member.

20 "(1) Should a member cease to be an employee except
21 by death or by retirement under the provisions of this
22 article, the contributions standing to the credit of his or
23 her individual account in the Annuity Savings Fund shall be
24 paid to him or her upon demand and, in addition to such
25 payment, there shall be paid five-tenths of the interest
26 accumulations standing to the credit of his or her individual
27 account if he or she shall have not less than three but less

1 than 16 years of membership service, six-tenths of such
2 interest accumulations if he or she shall have not less than
3 16 but less than 21 years of membership service, seven-tenths
4 of such interest accumulations if he or she shall have not
5 less than 21 but less than 26 years of membership service and
6 eight-tenths of such interest accumulations if he or she shall
7 have not less than 26 years of membership service.

8 "(2) In case of the death of a member eligible for
9 service retirement pursuant to subsection (a) of this section,
10 an allowance shall be paid to the surviving spouse, or to such
11 other person who the member shall have designated, in an
12 amount that would have been payable if the member had retired
13 immediately prior to his or her death and had elected Option
14 3, as set forth in subsection (d) of this section or,
15 alternatively, if the surviving spouse or other designee
16 desires, he or she may choose to receive, in lieu of the
17 allowance provided under Option 3, the accumulated
18 contributions of the member plus an amount equal to the
19 accumulated contributions of the member not to exceed
20 \$5,000.00 or the accumulated contributions of the member plus
21 the benefit provided by Section 36-27B-3 if a benefit is
22 payable under such section;

23 "(3) In case of the death of a Tier I plan member
24 not eligible for service retirement, after completion of 25
25 years of creditable service, an allowance shall be paid to the
26 surviving spouse, or to such other person who the member shall
27 have designated, in an amount that would have been payable if

1 the member had retired for disability immediately prior to his
2 or her death and had elected Option 3 as set forth in
3 subsection (d) of this section or, alternatively, if the
4 surviving spouse or other designee desires, he or she may
5 choose to receive, in lieu of the allowance provided under
6 Option 3, the accumulated contributions of the member plus an
7 amount equal to the accumulated contributions of the member
8 not to exceed \$5,000.00 or the accumulated contributions of
9 the member plus the benefit provided by Section 36-27B-3 if a
10 benefit is payable under such section;

11 "(4) Upon the death of a member on account of whom
12 no survivor allowance is payable under subdivisions (2) or (3)
13 of this subsection, the accumulated contributions of the
14 member plus an amount equal to the accumulated contributions
15 not to exceed \$5,000 or the accumulated contributions of the
16 member plus the benefit provided by Section 36-27B-3 if a
17 benefit is payable under such section shall be paid to his or
18 her estate or to such person as he or she shall have nominated
19 by written designation duly executed and filed with the Board
20 of Control.

21 "(d) Optional allowances. With the provision that
22 the election of an option shall be effective on the effective
23 date of retirement, any member may elect prior to retirement
24 to receive, in lieu of his or her retirement allowance payable
25 throughout life, the actuarial equivalent, at that time, of
26 his or her retirement allowance in a reduced retirement
27 allowance payable throughout life with the provisions that:

1 "(1) OPTION 1. If he or she dies before he or she
2 has received in annuity payments the present value of his or
3 her annuity as it was at the time of his or her retirement,
4 the balance shall be paid to his or her legal representatives
5 or to such person as he or she shall nominate by written
6 designation duly acknowledged and filed with the Board of
7 Control;

8 "(2) OPTION 2. Upon his or her death, his or her
9 reduced retirement allowance shall be continued throughout the
10 life of and paid to such person as he or she shall nominate by
11 written designation duly acknowledged and filed with the Board
12 of Control at the time of his or her retirement;

13 "(3) OPTION 3. Upon his or her death, one half of
14 his or her reduced allowance shall be continued throughout the
15 life of and paid to such person as he or she shall nominate by
16 written designation duly acknowledged and filed with the Board
17 of Control at the time of his or her retirement; or

18 "(4) OPTION 4. Some other benefit or benefits shall
19 be paid either to the member or to such person or persons as
20 he or she shall nominate; provided, that such other benefits,
21 together with the reduced retirement allowance, shall be
22 certified by the actuary to be of equivalent actuarial value
23 to his or her retirement allowance and shall be approved by
24 the Board of Control.

25 "(e) Effect of return to active service. Should any
26 beneficiary be restored to active service, his or her
27 retirement allowance shall be suspended until he or she again

1 withdraws from service and he or she shall not again become a
2 member of the retirement system nor shall he or she make
3 contributions; except, that should such beneficiary who has
4 been restored to active service continue in service for a
5 period of two or more years from the date of his or her
6 reentry into active service, he or she may request the Board
7 of Control to allow him or her to again become a member of the
8 retirement system. The Board of Control may grant the request
9 for restoration to membership; provided, that such beneficiary
10 whose retirement allowance has been suspended shall repay to
11 the system all moneys received by him or her as benefits
12 during any periods subsequent to the date of his or her
13 reentry into active service and shall make a contribution
14 equal to the amount he or she would have contributed had he or
15 she been a member during the period of his or her restoration
16 to active service on a suspended allowance basis together with
17 the interest which would have been credited to the
18 contributions on account of such period of restoration up to
19 the date such contribution is made.

20 "(f) (1) REDETERMINATION, ETC., OF CERTAIN
21 ALLOWANCES. All retirement allowance payments due on or after
22 October 1, 1975, to members who retired prior to that date
23 shall be redetermined as if the provisions of this section in
24 effect on October 1, 1975, were in effect at the time the
25 member retired. Anything in this article to the contrary
26 notwithstanding, the annual retirement allowance of any member
27 not employed as a state policeman who retired on or before

1 January 1, 1956, shall not be less than \$79.20 multiplied by
2 the number of years of his or her creditable service not in
3 excess of 30 years in the case of service retirement of \$59.40
4 multiplied by the number of years of his or her creditable
5 service not in excess of 30 years in the case of disability
6 retirement. Any increase provided in the retirement allowance
7 payment under this subdivision for a member who retired under
8 the provisions of any optional benefit elected pursuant to
9 subsection (d) of this section shall accrue only to the
10 retired member, and no person designated to receive any
11 payments after the death of a retired member under the
12 provisions of any such optional benefit shall receive any
13 increase in such payments under this subdivision.

14 Notwithstanding, any member who retired prior to October 1,
15 1975, and who chose either Option 2 or Option 3 may elect to
16 receive a reduced allowance and to stipulate that the
17 actuarial equivalent of the increase in his or her retirement
18 allowance, which became effective on that date, be ascribed to
19 his or her designated beneficiary; provided, that such member
20 shall clearly express this intention by filing a written
21 application to the effect with the Secretary-Treasurer of the
22 Employees' Retirement System of Alabama prior to October 1,
23 1976.

24 "(2) Any person who, prior to October 1, 1963, was
25 in receipt of a benefit pursuant to Act No. 376, approved
26 November 6, 1959, but was not a member of the system at the
27 time of retirement shall not be entitled to receive an annual

1 retirement allowance from the system, effective October 1,
2 1971, as follows:

3 "a. If such person was retired on or before January
4 1, 1956, an amount equal to \$79.20 multiplied by the number of
5 years of his or her creditable service not in excess of 30
6 years.

7 "b. If such person was retired after January 1,
8 1956, an amount equal to \$72.00 multiplied by the number of
9 years of his or her creditable service not in excess of 25
10 years.

11 "(3) Prior to October 31, 1975, any beneficiary may
12 elect to leave on deposit with the system all or a specified
13 part of any increase in his or her monthly retirement
14 allowance payments arising in accordance with subdivisions (1)
15 or (2) of this subsection over the monthly allowance which he
16 or she was receiving prior to October 1, 1975. The portion of
17 each monthly payment left in the system in accordance with
18 such election shall be credited, together with regular
19 interest thereon, to the individual account of such
20 beneficiary. Upon the death of such beneficiary the total
21 amount standing to his or her credit, including regular
22 interest to the date of death, shall be paid in a lump sum to
23 his or her legal representatives or to such person as he or
24 she shall have nominated by written designation duly
25 acknowledged and filed with the Board of Control.

26 "(g) Notwithstanding any other provisions of this
27 section to the contrary, when a designated beneficiary for a

1 member predeceases the member who is receiving a monthly
2 benefit allowance provided under Option 2, 3, or 4, the member
3 may designate a replacement beneficiary for the deceased
4 beneficiary to become effective two years after the date of
5 designation of the replacement beneficiary and an actuarial
6 adjustment in the monthly benefit allowance of the member to
7 cover any cost associated with designating a replacement
8 beneficiary shall be reflected thereafter in the monthly
9 benefit allowance received by the member, commencing with the
10 first benefit allowance check received by the member following
11 the date of designation of the replacement beneficiary.

12 "(h) Notwithstanding any provision of this section
13 to the contrary, if a retired member who is receiving a
14 monthly benefit allowance provided under Option 2, 3, or 4
15 divorces his or her designated beneficiary, the member may
16 designate a replacement beneficiary for the beneficiary to
17 become effective two years after the date of designation of
18 the replacement beneficiary and an actuarial adjustment in the
19 monthly benefit allowance of the member to cover any cost
20 associated with designating a replacement beneficiary shall be
21 reflected thereafter in the monthly benefit allowance received
22 by the member, commencing with the first benefit allowance
23 check received by the member following the date of designation
24 of the replacement beneficiary.

25 "(i) Any future act to increase the retirement age
26 for Tier II plan members above the age of 62 shall require a

1 two-thirds vote of the elected membership of each house of the
2 Legislature.

3 "§36-27-24.

4 "(a) Effective October 1, 1997, all the assets of
5 the retirement system shall be credited according to the
6 purpose for which they are held among three funds, namely, the
7 Annuity Savings Fund, the Pension Accumulation Fund, and the
8 Expense Fund. The operation of the former Pension Reserve Fund
9 and the Annuity Reserve Fund shall be discontinued as of such
10 date and the balance of the former Pension Reserve Fund shall
11 be transferred to the Pension Accumulation Fund, and the
12 balance of the former Annuity Reserve Fund shall be
13 transferred to the Pension Accumulation Fund.

14 "(b) Annuity Savings Fund. The Annuity Savings Fund
15 shall be a fund in which shall be accumulated contributions
16 from the compensation of members to provide for their
17 annuities.

18 "Contributions to and payments from the Annuity
19 Savings Fund shall be made as follows: Effective October 1,
20 1971, each employer shall cause to be deducted from the salary
21 of each member on each and every payroll of such employer for
22 each and every payroll period five percent of his or her
23 earnable compensation; except, that in the case of a state
24 policeman, the rate of 10 percent of earnable compensation
25 shall apply, and in computing all retirement benefits it shall
26 be assumed that a seven percent rate of contribution had
27 applied with respect to service as a state policeman prior to

1 July 1, 1957. For all pay dates beginning on or after October
2 1, 2011, each employer, except those employers participating
3 pursuant to Section 36-27-6, shall cause to be deducted from
4 the salary of each member on each and every payroll of such
5 employer for each and every payroll period seven and
6 one-quarter percent (7.25%) of his or her earnable
7 compensation; except, that in the case of a state policeman,
8 the rate of ten percent (10%) of earnable compensation shall
9 apply. For all pay dates beginning on or after October 1,
10 2012, each employer, except those employers participating
11 pursuant to Section 36-27-6, shall cause to be deducted from
12 the salary of each Tier I plan member on each and every
13 payroll of such employer for each and every payroll period
14 seven and one-half percent (7.5%) of his or her earnable
15 compensation; except, that in the case of a state policeman,
16 the rate of ten percent (10%) of earnable compensation shall
17 apply. For all pay dates beginning on or after January 1,
18 2013, each employer shall cause to be deducted from the salary
19 of each Tier II plan member on each and every payroll period
20 six percent (6%) of his or her earnable compensation; except
21 that in the case of a state policeman, the rate of ten percent
22 (10%) shall apply and in the case of a correctional officer,
23 firefighter, or law enforcement officer as defined in Section
24 36-27-59, the rate of seven percent (7%) shall apply. Any
25 employer participating under Section 36-27-6, by adoption of a
26 resolution, may elect for the increases in employee
27 contributions provided by Act 2011-676 to be withheld from the

1 earnable compensation of employees of the employer. Subject to
2 Section 36-27-59, for all pay dates beginning on or after
3 October 1, 2017, each employer shall cause to be deducted from
4 the salary of each Tier II plan member participating pursuant
5 to Section 36-27-6, and employed as a local correctional
6 officer, firefighter, or law enforcement officer as defined in
7 Section 36-27-59, on each and every payroll period seven and
8 one-half percent (7.5%) of his or her earnable compensation.

9 In determining the amount earnable by a member in a payroll
10 period, the Board of Control may consider the rate of annual
11 compensation payable to such member on the first day of the
12 payroll period as continuing through such payroll period, and
13 it may omit deductions from compensation for any period less
14 than a full payroll period if an employee was not a member on
15 the first day of the payroll period, and, to facilitate the
16 making of deductions, it may modify the deductions required of
17 any member by such an amount as shall not exceed one tenth of
18 one percent of the annual compensation upon the basis of which
19 such deductions are made.

20 "The deductions provided for in this subsection
21 shall be made notwithstanding that the minimum compensation
22 provided for by law for any member shall be reduced thereby.
23 Every member shall be deemed to consent and agree to the
24 deduction made and provided for in this subsection and shall
25 receipt for his or her full salary or compensation and payment
26 of salary or compensation less such deductions shall be a full
27 and complete discharge and acquittance of all claims and

1 demands whatsoever for the services rendered by such person
2 during the period covered by such payment, except as to the
3 benefits provided under this article. The employer shall
4 certify to the Board of Control in each and every payroll or
5 in such other manner as the board may prescribe the amounts to
6 be deducted, and each of the amounts shall be deducted and,
7 when deducted, shall be paid into the Annuity Savings Fund and
8 shall be credited, together with regular interest thereon, to
9 the individual account of the member from whose compensation
10 the deduction was made.

11 "In addition to the contributions deducted from
12 compensation as provided in this subsection, subject to the
13 approval of the Board of Control, any member may deposit in
14 the Annuity Savings Fund by a single payment or by an
15 increased rate of contribution an amount computed to be
16 sufficient to purchase an additional annuity which, together
17 with his or her prospective retirement allowance, will provide
18 for him or her a total retirement allowance not to exceed one
19 half of his or her average final compensation at age 60. Such
20 additional amounts so deposited shall become a part of his or
21 her accumulated contributions, except in the case of
22 retirement, when they shall be treated as excess contributions
23 returnable to the member in cash or as an annuity of
24 equivalent actuarial value and shall not be considered in
25 computing his or her pension.

26 "The contributions and interest credits of a member
27 withdrawn by him or her or paid to his or her estate or to his

1 or her designated beneficiary in event of his or her death
2 shall be paid from the Annuity Savings Fund. Should a member
3 cease to be a member other than by retirement under the
4 provisions of this article, an amount equivalent to the
5 difference, if any, between his or her accumulated
6 contributions and the amount then paid shall be transferred to
7 the Expense Fund. Upon the retirement of a member or the death
8 of an eligible member where an allowance to a surviving spouse
9 or other designated beneficiary is payable, his or her
10 accumulated contributions shall be transferred from the
11 Annuity Savings Fund to the Pension Accumulation Fund.

12 "Notwithstanding the preceding provisions, no
13 deductions shall be made from any member's salary on account
14 of which the employer's contributions are in default.

15 "The State Personnel Board, with the approval of the
16 Governor, may provide that the state shall pick up member
17 contributions to the Employees' Retirement System of Alabama
18 as required by this subsection on behalf of all state
19 employees who participate in the Employees' Retirement System
20 by a corresponding reduction in the salary of the member, such
21 pick-up to be mandatory for all such employees, and the
22 contributions so picked up shall be treated as employer
23 contributions in determining tax treatment under the Internal
24 Revenue Code. These contributions shall be paid from the same
25 source of funds which is used in paying earnings to the
26 employee. If employee contributions are so picked up they
27 shall be treated for all other purposes of state law in the

1 same manner and to the same extent as employee contributions
2 made prior to the date picked up.

3 "(c) Pension Accumulation Fund. The Pension
4 Accumulation Fund shall be the fund in which shall be
5 accumulated all reserves other than the amounts held in the
6 Annuity Savings Fund for the payment of all pensions, all
7 allowances granted to surviving spouses or other designated
8 beneficiaries and other benefits payable from contributions
9 made by the employer and from which shall be paid all
10 pensions, all allowances granted to surviving spouses or other
11 designated beneficiaries and other benefits on account of
12 members with prior service credit.

13 "Contributions to and payments from the Pension
14 Accumulation Fund shall be made as follows: On account of each
15 member there shall be paid monthly by the employer an amount
16 equal to a certain percentage of the earnable compensation of
17 each member to be known as the "normal contribution" and an
18 additional amount equal to a percentage of his or her earnable
19 compensation to be known as the "accrued liability
20 contribution," and these two amounts shall be paid monthly
21 into the Pension Accumulation Fund; provided, that in the case
22 of a state policeman, such percentage rates of contributions
23 shall be calculated separately. The percentage rate of such
24 contributions shall be fixed for each fiscal year on the basis
25 of the liabilities of the retirement system as shown by the
26 last annual actuarial valuation, and such percentage rate as

1 established by such valuation shall take effect the following
2 October 1 and continue in effect for the fiscal year.

3 "On the basis of regular interest and of such
4 mortality and other tables as shall be adopted by the Board of
5 Control, the actuary engaged by the board to make such
6 valuation required by this article during the period over
7 which the accrued liability contribution is payable shall,
8 immediately after making such valuation, determine the uniform
9 and constant percentage of the earnable compensation of the
10 average new entrant which, if contributed on the basis of his
11 or her compensation throughout his or her entire period of
12 active service, would be sufficient to provide for the payment
13 of any pension payable on his or her account. The percentage
14 rate so determined shall be known as the "normal contribution"
15 rate. The normal rate of contributions shall be determined by
16 the actuary after each valuation.

17 "The accrued liability contribution rate shall be
18 computed by the actuary on the basis of each valuation as the
19 percentage rate of the total annual compensation of all
20 members which is sufficient to liquidate the accrued liability
21 over a period to be determined by the Board of Control which
22 shall be not less than 10 nor more than 30 years.

23 "The unfunded accrued liability shall be computed by
24 the actuary as the total liabilities of the system which are
25 not dischargeable by the assets of the Annuity Savings Fund
26 and the Pension Accumulation Fund and the present value of the
27 aforesaid normal contributions.

1 "For purposes of computing the unfunded accrued
2 liability the assets shall be determined as follows:

3 "On September 30, 1997, the assets shall be
4 determined by using the market value of such assets. For
5 subsequent years the value of the assets shall be determined
6 by the system's actuary using a five year smoothed market
7 value.

8 "The total amount payable in each year to the
9 Pension Accumulation Fund shall be not less than the sum of
10 the percentage rates known as the normal contribution rate and
11 the accrued liability contribution rate of the total
12 compensation earnable by all members during the preceding
13 year.

14 "All interest and dividends earned on the funds of
15 the retirement system shall be credited to the Pension
16 Accumulation Fund. The amounts needed to allow a regular
17 interest on the reserves in the Annuity Savings Fund shall be
18 transferred in accordance with this article from the Pension
19 Accumulation Fund. The Board of Control, in its discretion,
20 may transfer to and from the Pension Accumulation Fund the
21 amounts of any surplus or deficit which may develop in the
22 Annuity Savings Fund, or the Expense Fund.

23 "Upon the death of a member on account of whom no
24 survivor allowance is payable under subdivisions (2) and (3)
25 of subsection (c) of Section 36-27-16, the death benefit as
26 provided in subdivision (4) of subsection (c) of Section
27 36-27-16 equal to the accumulated contributions, not to exceed

1 \$5,000.00, shall be payable from the Pension Accumulation
2 Fund.

3 "(d) Expense Fund. The Expense Fund shall be the
4 fund from which the expenses of the administration of the
5 retirement system shall be paid, exclusive of amounts payable
6 as retirement allowances and as other benefits provided in
7 this chapter. In addition thereto and on account of each
8 member of the retirement system, there shall be paid monthly
9 by the employer an amount equal to a certain percentage of the
10 earnable compensation of each member for the administrative
11 expenses of the retirement system. The percentage rate of such
12 contribution shall be fixed by the Board of Control on the
13 basis of the cost exclusive of that provided by interest not
14 returnable. Any amounts credited to the accounts of the
15 members withdrawing before retirement and not returnable under
16 the provisions of subsection (c) of Section 36-27-16 shall be
17 credited to the Expense Fund.

18 "(e) Employer's contributions. For each biennium
19 beginning October 1, 1965, each employer shall pay to the
20 retirement system the rates provided in this section and
21 thereafter, at least 30 days preceding October 1 of each
22 fiscal year, the Board of Control shall certify to the chief
23 fiscal officer of each employer the percentage rates of
24 earnable compensation of the members required to be paid to
25 the retirement system in accordance with subsections (c) and
26 (d) of this section.

1 "The employer's contribution on account of the
2 membership of employees whose salaries are paid in whole or in
3 part from funds derived from federal grants shall be paid from
4 funds derived from the federal grants in accordance with
5 statutes governing the administration of the grants and in
6 proportion to salaries paid therefrom. At such time and in
7 such manner as may be required, the Board of Control shall
8 certify to each department of state receiving a federal grant
9 the amount due and payable from the grant as the employer's
10 contribution to the retirement system on account of the
11 membership of the department whose salaries are paid in whole
12 or in part from funds derived from such federal grants. The
13 fiscal agent of the department shall authorize the state
14 Comptroller to draw a warrant or warrants in payment of the
15 amount certified as due and payable from federal grants.

16 "(f) Appropriations. There is hereby appropriated
17 annually from the fund from which salaries of the employees of
18 each employer are paid the amounts sufficient to carry out the
19 provisions of this section. In the case of those departments
20 supported wholly by transfers from other state funds, there is
21 hereby appropriated from the supporting funds such additional
22 amounts as may be necessary to pay the employer contribution
23 of each department so supported in the same proportion as the
24 other state funds contribute to the support and maintenance of
25 such department.

26 "(g) Employer cost provided for in this article
27 together with member contributions required under this article

1 shall be paid to the Employees' Retirement System on the first
2 day of the month following the month in which the related
3 member salary is earned. Delinquent accounts shall accrue
4 interest at the actuarial assumed investment rate beginning 30
5 days after the original due date. The member contributions for
6 each member shall be reported to the Employees' Retirement
7 System in a format prescribed by the Employees' Retirement
8 System.

9 "§36-27-59.

10 "(a) When used in this section, the following terms
11 shall have the following meanings, unless the context clearly
12 indicates otherwise:

13 "(1) CORRECTIONAL OFFICER. A full-time correctional
14 officer who is certified as a correctional officer by the
15 Alabama Peace Officers' Standards and Training Commission.

16 "(2) FIREFIGHTER. A full-time firefighter employed
17 with the State of Alabama, a municipal fire department, or a
18 fire district who has a level one minimum standard
19 certification by the Firefighters Personnel Standards and
20 Education Commission, or a firefighter employed by the Alabama
21 Forestry Commission who has been certified by the State
22 Forester as having met the wild land firefighter training
23 standard of the National Wildfire Coordinating Group.

24 "(3) LAW ENFORCEMENT OFFICER. A full-time law
25 enforcement officer, not covered as a state policeman,
26 employed with any state agency, department, board, commission,
27 or institution or a full-time law enforcement officer employed

1 by a local unit of the Employees' Retirement System under
2 Section 36-27-6 who is certified as a law enforcement officer
3 by the Alabama Peace Officers' Standards and Training
4 Commission.

5 "(b) (1) Any firefighter, law enforcement officer, or
6 correctional officer covered under the Employees' Retirement
7 System or the Teachers' Retirement System as a Tier I plan
8 member, upon attainment of the requisite years of creditable
9 service or who otherwise qualifies for service or disability
10 retirement, shall be awarded one year of hazardous duty time
11 for every five years of service as a firefighter, a law
12 enforcement officer, or a correctional officer provided that
13 the person has made the additional contribution provided in
14 subdivision (2) or paid the additional contribution required
15 in subsection (c) for each year of service used in determining
16 hazardous duty time for the person. Proportional credit shall
17 be awarded for any period of service less than five years.

18 "(2) Effective January 1, 2001, and each pay period
19 thereafter, each active employee who is a firefighter, law
20 enforcement officer, or correctional officer, as defined in
21 subsection (a), shall contribute to the Teachers' or
22 Employees' Retirement System of Alabama six percent (6%) of
23 his or her earnable compensation. For all pay dates beginning
24 on or after October 1, 2011, each active employee who is a
25 firefighter, law enforcement officer, or correctional officer,
26 as defined in subsection (a), except those employees
27 participating pursuant to Section 36-27-6, shall contribute to

1 the Teachers' or Employees' Retirement System of Alabama eight
2 and one-quarter percent (8.25%) of his or her earnable
3 compensation. For all pay dates beginning on or after October
4 1, 2012, each active employee who is a Tier I plan member and
5 who is a firefighter, law enforcement officer, or correctional
6 officer, as defined in subsection (a), except those employees
7 participating pursuant to Section 36-27-6, shall contribute to
8 the Teachers' or Employees' Retirement System of Alabama eight
9 and one-half percent (8.5%) of his or her earnable
10 compensation. Any employer participating under Section
11 36-27-6, by adoption of a resolution, may elect for the
12 increases in employee contributions provided by Act 2011-676
13 to be withheld from the earnable compensation of employees of
14 the employer, and if the employer, by resolution, increases
15 the employee contribution rates as provided by Act 2011-676,
16 for all pay dates beginning on or after October 1, 2017, each
17 active employee who is a Tier II plan member participating
18 pursuant to Section 36-27-6, and is a local firefighter, law
19 enforcement officer, or correctional officer, as defined in
20 subsection (a), shall contribute to the Teachers' or
21 Employees' Retirement System of Alabama eight and one-half
22 percent (8.5%) of his or her earnable compensation.

23 "(c) Any member of the Employees' Retirement System
24 or the Teachers' Retirement System eligible under subsection
25 (b) may receive credit for his or her eligible prior service
26 provided the member pays to the Secretary-Treasurer of the
27 Employees' Retirement System or the Secretary-Treasurer of the

1 Teachers' Retirement System one percent of his or her current
2 annual earnable compensation or previous year's annual
3 earnable compensation, whichever is higher, for each year of
4 claimed credit within two years of January 1, 2001, except
5 that any firefighter employed by the Alabama Forestry
6 Commission shall make such payment within two years of
7 December 28, 2001. Any member participating in the Employees'
8 Retirement System under Section 36-27-6, who has eligible
9 prior service under this section and who also had no prior
10 eligibility to purchase prior service credit under this
11 subsection, may purchase prior service credit under this
12 section at the same rate provided in subsection (b) within one
13 year of the effective date of his or her enrollment with the
14 Employees' Retirement System or within one year of August 1,
15 2004. The member may purchase his or her claimed credit in
16 increments of five years, unless the total service credit is
17 less than five years, in which case the service shall be
18 purchased in its entirety. The member shall provide
19 certification from each employing agency, on forms prescribed
20 by the Teachers' or Employees' Retirement System, of each year
21 of claimed service, as a prerequisite to payment under this
22 section.

23 ~~(d) The provisions of this section shall not apply~~
24 ~~to any Tier II plan member."~~

25 Section 2. On or before 90 days after the effective
26 date of this act, an employer subject to this act may opt-out
27 of the provisions of this act.

1 Section 3. 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.