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3 DIAL SUBSTITUTE FOR SB21
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8 SYNOPSIS: Under existing law, there is no provision
9 for retirees and beneficiaries receiving monthly
10 benefits from the Teachers' Retirement System (TRS)
11 to receive a funded one-time lump-sum addition to
12 their retirement allowances.

13 This bill would provide such a payment to
14 certain retirees and beneficiaries under the TRS.
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16 A BILL
17 TO BE ENTITLED
18 AN ACT
19

20 Relating to retirement; to provide for a funded
21 one-time lump-sum addition to the retirement benefits of
22 certain retirees and beneficiaries of the Teachers' Retirement
23 System.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. (a) There is hereby provided for fiscal
26 year 2018-2019 a funded one-time lump-sum payment, hereinafter
27 referred to as "lump-sum payment," to each person whose

1 effective date of retirement for purposes of receiving
2 benefits from the Teachers' Retirement System is prior to
3 October 1, 2017, and who is receiving or is entitled to
4 receive a monthly allowance from the Teachers' Retirement
5 System on September 30, 2018.

6 (b) The formula for calculating the lump-sum payment
7 shall be one dollar (\$1) per month for each year of service
8 attained by the retiree.

9 (c) Beneficiaries of deceased members or deceased
10 retirees, if the date of death for the deceased member, or the
11 effective date of retirement for the deceased retiree for
12 purposes of receiving benefits from the Teachers' Retirement
13 System was prior to October 1, 2017, and if the beneficiary is
14 receiving or is entitled to receive a monthly allowance from
15 the Teachers' Retirement System on September 30, 2018, shall
16 receive a lump-sum payment.

17 (d) There is hereby provided for fiscal year
18 2018-2019 a funded one-time lump-sum payment to certain
19 persons identified in subsection (e) herein, whose effective
20 date of retirement for purposes of receiving benefits from the
21 Teachers' Retirement System is prior to October 1, 2017, and
22 who is receiving or is entitled to receive a monthly allowance
23 from the Teachers' Retirement System on September 30, 2018.

24 (e) For purposes of this section, service includes
25 the service under Section 16-25-1 and Section 16-25-150 et
26 seq., Code of Alabama 1975.

1 (f) Any person who received benefits under the
2 Medicaid program and whose eligibility for Medicaid benefits
3 would be impaired by the lump-sum payment provided by this
4 section shall not be entitled to receive the aforementioned
5 increase. Any person who subsequently applies for benefits
6 under the Medicaid program and that person's eligibility to
7 receive benefits is impaired by the lump-sum payment provided
8 by this section shall not be entitled to receive the increase
9 subsequent to the date that the member files application for
10 benefits under the Medicaid program.

11 (g) The lump-sum payments provided under this
12 section shall be paid to all eligible recipients by the
13 Teachers' Retirement System in October 2018.

14 Section 2. It is not the intent of this act to make
15 appropriations, but the amount required to pay the cost of the
16 lump-sum payments provided under this act shall be made in the
17 annual Education Trust Fund budget act for the 2019 fiscal
18 year.

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