

1 SB147
2 196690-2
3 By Senators Waggoner, Livingston, Elliott, Ward and Chambliss
4 RFD: Fiscal Responsibility and Economic Development
5 First Read: 20-MAR-19

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

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11 To add Section 36-27-6.5 to the Code of Alabama
12 1975, relating to retirement for members of the Employees'
13 Retirement System; to provide that a local employer
14 participating in the ERS could elect to provide the same
15 retirement benefits given to Tier I plan members to its Tier
16 II plan members.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

18 Section 1. Section 36-27-6.5 is added to the Code of
19 Alabama 1975, to read as follows:

20 §36-27-6.5.

21 (a) Any employer participating in the Employees'
22 Retirement System of Alabama pursuant to Section 36-27-6, may,
23 by adoption of a resolution within 24 months of the effective
24 date of the act adding this section, elect to provide to its
25 Tier II plan members the same retirement benefits provided to
26 Tier I plan members. Provided, however, the Employees'
27 Retirement System Board of Control may, based on a staff

1 review of the historical compliance with ERS requirements as
2 well as the financial stability of the local government
3 entity, elect to deny the election authorized herein. The
4 local entity may petition the Board of Control for a
5 reconsideration of its action within the 24 months period of
6 the effective date of this act. Such election shall be
7 irrevocable and shall be effective at the beginning of the
8 fiscal year following the date the resolution is received by
9 the ERS.

10 (b) Any employer that has not increased the Tier I
11 member contribution rates as provided in Act 2011-676 shall
12 develop a plan to gradually increase the member contribution
13 rates as provided herein. The plan shall be submitted to the
14 Employees' Retirement System before electing to provide Tier
15 II plan members the same retirement benefits as Tier I plan
16 members. Beginning in the month the election to provide Tier
17 II plan members the same retirement benefits provided to Tier
18 I plan members becomes effective, Tier II plan members shall
19 contribute to the Employees' Retirement System seven and
20 one-half percent of their earnable compensation and Tier II
21 plan members who are firefighters, law enforcement officers,
22 or correctional officers, as defined in Section 36-27-59 (a),
23 shall contribute to the Employees' Retirement System eight and
24 one-half percent of their earnable compensation.

25 (c) Anything in this article to the contrary
26 notwithstanding, in the application of the provisions of
27 Sections 36-27-16 and 16-25-14 to a member whose creditable

1 service includes periods of service to different Tier plans,
2 the benefit rates of each respective Tier plan will be
3 applicable to the creditable service earned while in each
4 respective Tier plan. In all other respects the pension under
5 this subdivision shall be determined on the basis of the
6 member's Tier plan at the time of his or her withdrawal from
7 service.

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

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Senate

Read for the first time and referred to the Senate
committee on Fiscal Responsibility and Economic
Development..... 20-MAR-19

Read for the second time and placed on the calen-
dar..... 03-APR-19

Read for the third time and passed as amended 16-APR-19

Yeas 24
Nays 7

Patrick Harris,
Secretary.