

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

1 SB147

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4 ENROLLED, An Act,

5 To add Section 36-27-6.5 to the Code of Alabama
6 1975, relating to retirement for members of the Employees'
7 Retirement System; to provide that a local employer
8 participating in the ERS could elect to provide the same
9 retirement benefits given to Tier I plan members to its Tier
10 II plan members.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

14 §36-27-6.5.

15 (a) Any employer participating in the Employees'
16 Retirement System of Alabama pursuant to Section 36-27-6, may,
17 by adoption of a resolution within 24 months of the effective
18 date of the act adding this section, elect to provide to its
19 Tier II plan members the same retirement benefits provided to
20 Tier I plan members. Provided, however, the Employees'
21 Retirement System Board of Control may, based on a staff
22 review of the historical compliance with ERS requirements as
23 well as the financial stability of the local government
24 entity, elect to deny the election authorized herein. The
25 local entity may petition the Board of Control for a

1 reconsideration of its action within the 24 months period of
2 the effective date of this act. Such election shall be
3 irrevocable and shall be effective at the beginning of the
4 fiscal year following the date the resolution is received by
5 the ERS.

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

21 (c) Anything in this article to the contrary
22 notwithstanding, in the application of the provisions of
23 Sections 36-27-16 and 16-25-14 to a member whose creditable
24 service includes periods of service to different Tier plans,
25 the benefit rates of each respective Tier plan will be

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

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

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB147

Senate 16-APR-19

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris,
Secretary.

House of Representatives
Passed: 02-MAY-19

By: Senator Waggoner