

2
3 SUBSTITUTE FOR SB111
4
5
6
7

8 SYNOPSIS: Under existing law, there is no provision
9 for retirees and beneficiaries receiving monthly
10 benefits from the Employees' Retirement System to
11 receive a funded longevity bonus addition to their
12 retirement allowances.

13 This bill would provide a longevity bonus to
14 certain retirees and beneficiaries under the
15 Employees' Retirement System.
16

17 A BILL
18 TO BE ENTITLED
19 AN ACT
20

21 Relating to state retirement; to provide for a
22 funded longevity bonus addition to the retirement benefits of
23 certain retirees and beneficiaries of the Employees'
24 Retirement System.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. (a) There is provided a funded one-time
27 lump-sum payment, hereinafter referred to as longevity bonus,

1 to each person except those whose employer participated in the
2 Employees' Retirement System pursuant to Sections 36-27-6,
3 36-27-7, and 36-27-7.1, Code of Alabama 1975, whose effective
4 date of retirement for purposes of receiving benefits from the
5 Employees' Retirement System is prior to March 1, 2022, and
6 who is receiving or is entitled to receive a monthly allowance
7 from the Employees' Retirement System on March 30, 2022.

8 (b) The formula for calculating the longevity bonus
9 shall be two dollars (\$2) per month for each year of service
10 attained by the retiree.

11 (c) Beneficiaries of deceased members or deceased
12 retirees, except where the deceased member or deceased retiree
13 retired from an employer participating in the Employees'
14 Retirement System pursuant to Sections 36-27-6, 36-27-7, and
15 36-27-7.1, Code of Alabama 1975, if the beneficiary is
16 receiving or is entitled to receive a monthly allowance from
17 the Employees' Retirement System on March 30, 2022, shall
18 receive a bonus payment.

19 (d) For purposes of this act, service includes the
20 service under Section 36-27-1 and Article 9, commencing with
21 Section 36-27-170, of Chapter 27, Title 36, Code of Alabama
22 1975, as well as state police bonus credit or hazardous duty
23 (FLC bonus) credit.

24 Section 2. (a) Each person whose employer
25 participated in the Employees' Retirement System pursuant to
26 Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama
27 1975, whose effective date of retirement for purposes of

1 receiving benefits from the Employees' Retirement System is
2 prior to March 1, 2022, and who is receiving or is entitled to
3 receive a monthly allowance from the Employees' Retirement
4 System on September 30, 2022, shall receive the longevity
5 bonus specified in subsections (a) and (b) of Section 1, if
6 the employer elects to come under this act by official
7 resolution on or before August 31, 2022. Any employer making
8 the election to come under this act shall bear the cost of the
9 longevity bonus paid to its retirees pursuant to this section.

10 (b) If the employer elects to come under this act,
11 beneficiaries of deceased members or deceased retirees retired
12 from an employer participating in the Employees' Retirement
13 System pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1,
14 Code of Alabama 1975, if the beneficiary is receiving or is
15 eligible to receive a monthly allowance from the Employees'
16 Retirement System on September 30, 2022, shall receive a bonus
17 payment.

18 Section 3. (a) Any retired pensioner or annuitant
19 who retired from a city, town, county, or public or
20 quasi-public organization of the state before the city, town,
21 county, or public or quasi-public organization of the state
22 became a member of the Employees' Retirement System, and who
23 is receiving or is entitled to receive a monthly allowance
24 from the Employees' Retirement System on September 30, 2022,
25 shall receive the longevity bonus stipulated in subsections
26 (a) and (b) of Section 1, provided the employer elects to come
27 under this act. Any employer making the election to come under

1 this act shall bear the cost of the longevity bonus paid to
2 its retirees pursuant to this section and provide the
3 Employees' Retirement System with the number of years of
4 creditable service earned by each of its eligible annuitants
5 and pensioners.

6 (b) Beneficiaries of Employees' Retirement System
7 pensioners or annuitants described in subsection (a) shall
8 receive a longevity bonus of three hundred dollars (\$300),
9 provided the date of death for the deceased pensioner or
10 annuitant, or the effective date of retirement for the
11 deceased pensioner or annuitant, was prior to March 1, 2022,
12 and the beneficiary is receiving or is entitled to receive a
13 monthly allowance from the Employees' Retirement System on
14 September 30, 2022, and the local unit elects to fund the
15 longevity bonus and provides the Employees' Retirement System
16 with the number of years of creditable service earned by each
17 of its eligible annuitants and pensioners.

18 Section 4. Any person who received benefits under
19 the Medicaid program and whose eligibility for Medicaid
20 benefits would be impaired by the longevity bonus provided by
21 this act shall not be entitled to receive the aforementioned
22 increase. Any person who subsequently applies for benefits
23 under the Medicaid program, and that person's eligibility to
24 receive benefits is impaired by the longevity bonus provided
25 by this act, shall not be entitled to receive the increase
26 subsequent to the date that the member files application for
27 benefits under the Medicaid program.

1 Section 5. The Board of Control of the Employees'
2 Retirement System shall determine the amount required to pay
3 the cost of the longevity bonus provided under this act and
4 shall notify the chief fiscal officer of each employer of that
5 cost. The employer shall either pay the full cost in a lump
6 sum or, for the fiscal year beginning October 1, 2023, only,
7 pay the increase in the employer rate in the same manner and
8 from the same source of funds as salaries of active members
9 are paid.

10 Section 6. (a) Unless otherwise provided in
11 subsection (b), the longevity bonuses provided under this act
12 shall be paid to all eligible recipients by the Employees'
13 Retirement System in April 2022.

14 (b) For all eligible recipients whose employer
15 participated in the Employees' Retirement System pursuant to
16 Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama
17 1975, the longevity bonuses provided under this act shall be
18 paid by the Employees' Retirement System in October 2022.

19 Section 7. This act shall become effective
20 immediately following its passage and approval by the
21 Governor, or its otherwise becoming law.