

1 HB137
2 215414-1
3 By Representative Garrett
4 RFD: Ways and Means Education
5 First Read: 13-JAN-22

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

This bill would provide such a payment to certain retirees and beneficiaries under the TRS.

A BILL
TO BE ENTITLED
AN ACT

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

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) There is hereby provided for fiscal year 2021-2022 a funded one-time lump-sum payment, hereinafter 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 May
3 1, 2022, and who is receiving or is entitled to receive a
4 monthly allowance from the Teachers' Retirement System on
5 April 30, 2022.

6 (b) The formula for calculating the lump-sum payment
7 shall be one dollar and twenty-five cents (\$1.25) per month
8 for each year of service 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 May 1, 2022, and if the beneficiary is
14 receiving or is entitled to receive a monthly allowance from
15 the Teachers' Retirement System on April 30, 2022, shall
16 receive a lump-sum payment.

17 (d) There is hereby provided for fiscal year
18 2021-2022 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 May 1, 2022, and who
22 is receiving or is entitled to receive a monthly allowance
23 from the Teachers' Retirement System on April 30, 2022.

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 June 2022.

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
17 HB____.

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