

1 HB330
2 217382-1
3 By Representative Treadaway
4 RFD: State Government
5 First Read: 09-FEB-22

A BILL
TO BE ENTITLED
AN ACT

Relating to the General Retirement System for Employees of Jefferson County; to amend Sections 45-37-123.20 and 45-37-123.22, as amended by Act 2021-456, 2021 Regular Session, Sections 45-37-123.80 and 45-37-123.82, and Sections 45-37-123.100 and 45-37-123.104, as amended by Act 2021-456, 2021 Regular Session, of the Code of Alabama 1975, to establish an optional 25-year superannuation retirement benefit for members who commence membership in the retirement system on or after October 1, 2022, under certain conditions; to establish the amount of additional employee contributions required from members who elect to participate in the benefit; to authorize the pension board to establish rules, procedures, and forms to implement the benefit; to provide that the employer contribution related to the benefit shall remain six percent of the member's compensation each payroll period and

1 that all additional contributions set forth in this act shall
2 be the obligation of the member and not the obligation of
3 Jefferson County; to provide that members who elect to
4 participate in the benefit, upon attaining 25 years of paid
5 membership time, may elect to terminate their employee
6 contributions at which time the employer contribution shall
7 also cease; and to provide for an effective date.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. Sections 45-37-123.20 and 45-37-123.22,
10 as amended by Act 2021-456, 2021 Regular Session, Sections
11 45-37-123.80 and 45-37-123.82, and Sections 45-37-123.100 and
12 45-37-123.104, as amended by Act 2021-456, 2021 Regular
13 Session, of the Code of Alabama 1975, are amended to read as
14 follows:

15 "§45-37-123.20.

16 "(a) Provisions of records. The county shall provide
17 all records and documents necessary to determine an employee's
18 status and eligibility for membership in the plan, upon which
19 a service record shall be created.

20 "(b) Contributions. The county shall contribute an
21 amount equal to six percent of an employee's compensation from
22 the county's general assets to the trust fund, as provided in
23 Section 45-37-123.80. The county also shall withhold six
24 percent of an employee's compensation each pay period as
25 provided in Section 45-37-123.82. With regard to an employee
26 who elects to participate in the optional 25-year
27 superannuation retirement benefit, the county shall also

1 withhold an additional eight percent of the employee's
2 compensation. The county also shall contribute any amounts
3 received pursuant to Section 45-37-233, attributable to pistol
4 permits. Additionally, the county may pay into the trust fund
5 from the general funds of the county, in such installments or
6 times as the county may elect, an amount or amounts sufficient
7 to assure that the system is actuarially sound.

8 "§45-37-123.22.

9 "(a) The pension board shall be responsible for the
10 general administration and proper operation of the plan, and
11 shall administer the plan for the exclusive benefit of the
12 members and their beneficiaries, subject to the specific terms
13 of the plan. The pension board shall administer the plan in
14 accordance with its terms and shall have the power and
15 discretion to construe the terms of the plan and the act and
16 to determine all questions arising in connection with the
17 administration, interpretation, and application of the plan.
18 Any such determination by the pension board shall be
19 conclusive and binding upon all persons. The pension board may
20 establish procedures, correct any defect, supply any
21 information, or reconcile any inconsistency in such manner and
22 to such extent as shall be deemed necessary or advisable to
23 carry out the purpose of the plan; provided, however, that any
24 procedure, discretionary act, interpretation, or construction
25 shall be done in a nondiscriminatory manner based upon uniform
26 principles consistently applied and shall be consistent with
27 the intent that the plan shall continue to be deemed a

1 qualified plan under the terms of § 401(a), Internal Revenue
2 Code, and shall comply with the terms of the act and all
3 regulations issued pursuant thereto. The pension board shall
4 have all powers necessary or appropriate to accomplish the
5 pension board's duties under the plan.

6 "(b) The pension board shall be charged with the
7 duties of the general administration of the plan as set forth
8 under the terms of the plan, including, but not limited to,
9 all of the following:

10 "(1) To determine all questions relating to the
11 eligibility of employees to participate or remain a member
12 hereunder and to receive benefits under the plan.

13 "(2) To compute and certify the amount and the kind
14 of benefits to which any member shall be entitled hereunder.

15 "(3) To maintain all necessary records for the
16 administration of the plan.

17 "(4) To interpret the provisions of the plan and to
18 make and publish such rules for regulation of the plan as are
19 consistent with the act and the terms hereof.

20 "(5) To establish rules and regulations for the
21 administration of plan funds and for the transaction of the
22 plan's business.

23 "(6) To exercise any investment discretion in a
24 manner designed to accomplish specific objectives related to
25 the plan's long-term and short-term liquidity needs.

1 "(7) To prepare and provide active members with an
2 annual estimated benefit statement notifying them of their
3 estimated benefits.

4 "(8) To prepare and provide retired members with a
5 one-time notification of their benefit payment amounts, and to
6 provide retired members with periodic notification of cost of
7 living benefit increases which may be awarded by the pension
8 board in any form, lump sum, or otherwise.

9 "(9) To determine the validity of, and take
10 appropriate action with respect to, any divorce decree, or
11 other judicial order presented to the pension board.

12 "(10) To assist any member regarding the member's
13 rights, benefits, or elections available under the plan.

14 "(11) To, by written agreement or designation,
15 appoint at its option an investment manager, qualified under
16 the Investment Company Act of 1940, as amended, investment
17 adviser, or other agent to provide direction regarding any or
18 all of the plan assets. Such appointment shall specifically
19 identify the plan assets with respect to which the investment
20 manager or other agent shall have authority to direct the
21 investment.

22 "(12) To establish an investment policy.

23 "(13) To establish a privacy policy for the
24 protection of a member's personal information, subject to
25 applicable law.

26 "(14) To hold an annual meeting of the members at
27 least once per calendar year and provide at least seven days'

1 written notice of the meeting to all members on the retirement
2 system website or at either their place of work, last known
3 address, or by electronic mail.

4 "(15) To determine appropriate rules and regulations
5 to determine how much service per calendar year is equivalent
6 to one year of service, in accordance with Section
7 45-37-123.84.

8 "(16) To develop rules and regulations, amend the
9 plan, subject to the provisions of Section 45-37-123.150, and
10 provide for increases in benefits, subject to the provisions
11 of Section 45-37-123.151.

12 "(17) Notwithstanding any provisions of the plan to
13 the contrary, to amend the plan in order to comply with
14 federal law, and any such amendment shall be given full effect
15 under Alabama law.

16 "(18) To purchase insurance coverage in such forms
17 and amounts as may be determined by the pension board.

18 "(19) To provide employees of the system with
19 health, dental, vision, and other forms of insurance, paid
20 vacation, sick leave, tuition reimbursement, and any other
21 benefits as determined by the pension board.

22 "(20) To provide members of the system with
23 voluntary life, disability, and other forms of insurance, the
24 cost of which is paid by the member.

25 "(21) To conduct meetings and business by video
26 conference, telephone conference, or electronic communication.

1 "(22) To participate in emergency relief programs of
2 the United States, the State of Alabama, and their
3 departments, agencies, and instrumentalities.

4 "(23) To recover costs and reasonable attorney's
5 fees in actions in which the pension board seeks to recover
6 funds of the retirement system erroneously paid to members,
7 beneficiaries, and third parties.

8 "(24) To establish procedures, forms, and rules to
9 implement the optional 25-year superannuation retirement
10 benefit.

11 "(c) Failure of the pension board to follow any
12 provisions or procedures in the plan shall not constitute a
13 waiver of any provision or procedure contained herein.

14 "§45-37-123.80.

15 "(a) Employer contributions. ~~Each~~ Except for members
16 who at the commencement of their membership in the retirement
17 system elect the optional 25-year superannuation retirement
18 benefit, each payroll period, an amount equal to the total of
19 all members' employee contributions that is deducted from the
20 members' compensation pursuant to Section 45-37-123.82 shall
21 be contributed by the county and shall be paid into the trust
22 fund. County contributions for members who elect the optional
23 25-year superannuation retirement benefit shall be six percent
24 of the member's compensation each payroll period.

25 "(b) Employer contributions upon reinstatement from
26 qualified military service. If any member leaves the service
27 of the county for the purposes of performing qualified

1 military service and shall have been reinstated to the service
2 of the county within 90 days after such member's separation
3 from such qualified military service, then the county shall
4 promptly pay into the trust fund an amount equal to twice the
5 employee contribution which the employee would have made if he
6 or she had not been absent on such leave, and if his or her
7 compensation had continued to be the same as he or she was
8 earning at the time of the commencement of the leave;
9 provided, however, that no part of such payment by the county
10 shall be refundable to the employee pursuant to Section
11 45-37-123.104.

12 "§45-37-123.82.

13 "(a) Employee contributions generally. As a
14 condition of employment and of accruing benefits under the
15 plan, each member shall contribute six percent of such
16 member's compensation to the plan. A member, who at the
17 commencement of his or her membership in the retirement system
18 elects the optional 25-year superannuation retirement benefit
19 pursuant to Section 45-37-123.100(a)(2), shall contribute an
20 additional eight percent of the member's compensation. The
21 employee contributions shall be after tax, or if approved by
22 the pension board such employee contributions shall be pre-tax
23 and treated as "picked-up" and contributed by the county to
24 the plan pursuant to Section 414(h)(2) of the Internal Revenue
25 Code. The county shall process such employee contributions
26 each payroll period and the aggregate amount shall be
27 deposited in the trust fund. Employee contributions shall

1 begin on the member's first paycheck after a member becomes
2 eligible for membership in the system as provided for in
3 Section 45-37-123.50. In the event that the county fails to
4 withhold any employee contributions, the county may withhold
5 such amounts, whether treated by the county as after-tax
6 contributions or treated as "picked-up" contributions, from
7 future paychecks as are necessary to restore the amounts not
8 withheld.

9 "(b) Withdrawal or refunds of employee
10 contributions. Employee contributions may be withdrawn or
11 refunded only as provided in Section 45-37-123.104.

12 "(c) Cessation of employee contributions. A member
13 may terminate employee contributions when the member's service
14 entitles him or her to receive the maximum benefit available
15 ~~after 30 years of paid service~~, as further provided in Section
16 45-37-123.104(3).

17 "§45-37-123.100.

18 "(a) Superannuation retirement ~~benefit~~ benefits.

19 "(1) Thirty-year superannuation retirement benefit.

20 "~~(1)~~a. ELIGIBILITY. A member shall be eligible for a
21 superannuation retirement benefit if:

22 "~~a.~~1. The member has 30 or more years of paid
23 membership time, regardless of age;

24 "~~b.~~2. The member has 10 or more years of paid
25 membership time and has attained the age of 60; or

1 "~~c.~~3. The member has 30 years of service, 20 years
2 of which are paid membership time, and has attained the age of
3 55.

4 "~~(2)~~b. CALCULATION OF BENEFIT. If a member meets the
5 foregoing eligibility criteria, then the member shall be
6 eligible to retire and receive a monthly benefit for the
7 remainder of his or her life to be determined by the following
8 formula:

9 "~~a.~~1. Two and one-half percent multiplied by the
10 basic average salary multiplied by the number of years of paid
11 membership time; plus

12 "~~b.~~2. Five-eighths of one percent multiplied by the
13 basic average salary multiplied by the number of years of
14 unpaid membership time, if applicable.

15 "(2) Optional 25-year superannuation retirement
16 benefit.

17 "a. ELIGIBILITY. A member who commences membership
18 in the retirement system on or after October 1, 2022, and who
19 elected in writing to participate in the optional 25-year
20 superannuation retirement benefit at the time of commencement
21 and made all additional contributions required by this part,
22 shall be eligible for a superannuation retirement benefit,
23 calculated pursuant to paragraph b., if the member has 25
24 years of paid membership time, regardless of age.

25 "b. CALCULATION OF BENEFIT. If a member meets the
26 eligibility criteria set forth in paragraph a., the member
27 shall be eligible to retire and receive a monthly benefit for

1 the remainder of his or her life, as determined by the
2 following formula: Two and one-half percent multiplied by the
3 basic average salary multiplied by the number of years of paid
4 membership time.

5 "(3) Additional provisions applicable to
6 superannuation retirement benefits:

7 "(3)a. SEVENTY-FIVE PERCENT LIMITATION.

8 Notwithstanding the foregoing, no member shall receive any
9 retirement benefit in excess of 75 percent of his or her basic
10 average salary. This 75 percent limitation shall only be
11 applied at the time that the beginning retirement benefit is
12 determined and shall not limit increases granted to retired
13 members subsequent to their retirement. Additionally, this 75
14 percent limitation shall be applied before applying any
15 actuarial adjustments to reflect an election of a joint
16 survivorship pension.

17 "(4)b. SECTION 401(a)(17), INTERNAL REVENUE CODE,
18 LIMITATION. Notwithstanding the foregoing provisions of this
19 subsection, after applying the § 401(a)(17), Internal Revenue
20 Code, compensation limit set forth in subdivision (11) of
21 Section 45-37-123.01, the pension board, with the assistance
22 of an actuary, shall determine the adjustments to any or all
23 of the components or factors of the benefit formula, other
24 than paid membership time, unpaid membership time, and/or the
25 basic average salary as limited by the compensation limit that
26 would be necessary to yield the maximum benefit specified
27 under this part, without regard to § 401(a)(17), Internal

1 Revenue Code; the pension board shall then use such adjusted
2 benefit formula to determine the maximum benefit due from the
3 plan, subject, however, to Subpart 6, Internal Revenue Code,
4 Section 415 limitations.

5 ~~"(5)c.~~ ELIGIBILITY FOR JOINT SURVIVORSHIP PENSION. A
6 member that is entitled to a superannuation retirement benefit
7 shall be entitled to instead elect a joint survivorship
8 pension, as provided for under Section 45-37-123.101.

9 ~~"(6)d.~~ DEATH. If a member dies while receiving
10 payment of a superannuation retirement benefit, the return of
11 any remaining portion of his or her employee contributions
12 shall be governed by Section ~~45-37-123.104(5)d~~
13 45-37-123.104(4)d. If the member has received payments in an
14 amount at least equal to the amount of employee contributions
15 he or she made to the plan at the time of death, then no
16 further payments shall be made upon the member's death.

17 "(b) Early retirement benefits.

18 "(1) REGULAR EARLY RETIREMENT. A member may elect,
19 but is not required, to retire prior to age 60 if the member
20 has completed 30 or more years of service, 10 of which, but
21 not the total 30, are paid membership time. In the event that
22 a member makes such an election, such member shall be entitled
23 to receive an early retirement benefit equal to the member's
24 benefit that would be payable pursuant to subsection (a), but
25 with an actuarial equivalent reduction for each year less than
26 60 years of age, as follows:

Reduced Retirement Benefit on
Account of Retirement before
Age 60 Expressed as a Percent-
age of the Applicable Superan-
nuation Retirement Benefit un-
der subsection (a)

1	"Age of Member on	
2	Last Birthday Pre-	
3	ceding Retirement	
4	"59	93%
5	"58	87%
6	"57	82%
7	"56	77%
8	"55	72%
9	"54	68%
10	"53	64%
11	"52	60%
12	"51	57%
13	"50	54%
14	"49	51%
15	"48	48%

16 "(2) TWENTY-FIVE YEAR EARLY RETIREMENT BENEFIT. On
17 and after April 24, 2003, a member with at least 25 years of
18 paid membership time, but less than 30 years of paid
19 membership time, who is not eligible for a superannuation
20 retirement benefit may elect to retire early, but is not

1 required to do so. In the event that a member makes such an
2 election, such member shall be entitled to receive a 25-year
3 early retirement benefit equal to the member's benefit that
4 would be payable under the applicable superannuation
5 retirement benefit pursuant to subsection (a), but with an
6 actuarial equivalent reduction of seven percent for each whole
7 year less than 30 years. For purposes of the seven percent
8 reduction, months are not counted.

9 "(3) ELIGIBILITY FOR JOINT SURVIVORSHIP PENSION. A
10 member that is entitled to an early retirement benefit shall
11 be entitled to instead elect a joint survivorship pension, as
12 provided for under Section 45-37-123.101.

13 "(4) DEATH. If a member dies while receiving payment
14 of an early retirement benefit, the return of any remaining
15 portion of his or her employee contributions shall be governed
16 by Section ~~45-37-123.104(5)~~d 45-37-123.104(4)d. If the member
17 has received payments in an amount at least equal to the
18 amount of employee contributions he or she made to the plan at
19 the time of death, then no further payments shall be made upon
20 the member's death.

21 "(c) Deferred retirement benefits.

22 "(1) GENERAL RULES FOR DEFERRED RETIREMENT BENEFITS.

23 "a. Ineligibility for Deferred Retirement Benefit if
24 Eligible for Superannuation Retirement Benefit. If a member is
25 eligible for a superannuation retirement benefit, then he or
26 she is not eligible for a deferred retirement benefit.

1 "b. Withdrawal of Employee Contributions. A member
2 who has elected a deferred retirement benefit may at any time
3 before payment of such benefit commences withdraw in full his
4 or her employee contributions, without interest. However, no
5 deferred retirement benefit shall be paid to a member who
6 withdraws such employee contributions.

7 "c. Eligibility for Joint Survivorship Pension. A
8 member that is entitled to a deferred retirement benefit shall
9 be entitled to instead elect a postretirement joint
10 survivorship pension provided for under Section 45-37-123.101.

11 "d. Death. If a member dies before or after payment
12 of his or her deferred retirement benefit commences, the
13 return of his or her employee contributions to the plan shall
14 be governed by Section ~~45-37-123.104(5)b.~~ 45-37-123.104(4)b.
15 or d., respectively.

16 "(2) REGULAR DEFERRED RETIREMENT BENEFIT.

17 "a. Eligibility. Subject to the general eligibility
18 requirements stated in subdivision (1), a member may elect a
19 regular deferred retirement benefit if he or she has at least
20 10 years of paid membership time.

21 "b. Calculation of Benefit/Vesting. The regular
22 deferred retirement benefit shall be calculated by multiplying
23 the superannuation retirement benefit that the member would
24 have been entitled to had he or she been 60 years of age when
25 he or she terminated employment, times a percentage, which
26 percentage shall be determined based upon the member's paid
27 membership time, as follows:

1 "1. Ten years of paid membership time: 50 percent.

2 "2. Eleven years of paid membership time: 60
3 percent.

4 "3. Twelve years of paid membership time: 70
5 percent.

6 "4. Thirteen years of paid membership time: 80
7 percent.

8 "5. Fourteen years of paid membership time: 90
9 percent.

10 "6. Fifteen or more years of paid membership time:
11 100 percent.

12 "c. Commencement of Payment. Payment of a member's
13 regular deferred retirement benefit shall commence upon the
14 date that the member reaches the age of 60 and shall continue
15 for the life of the member, regardless of whether the member
16 is employed with another employer at the time payment is to
17 commence.

18 "(3) INVOLUNTARY DEFERRED RETIREMENT BENEFIT.

19 "a. 20/55 Provisions. Subject to the general
20 eligibility requirements stated in subdivision (1), a member
21 who is not entitled to voluntarily retire pursuant to
22 subsection (a), superannuation retirement ~~benefit~~ benefits, or
23 subdivision (1) of subsection (b), regular early retirement
24 benefit, but who is involuntarily retired after accumulating
25 20 years of service with the county, at least 10 of which is
26 paid membership time, shall be entitled to receive a monthly
27 benefit computed in accordance with the applicable formula set

1 forth in subsection (a), superannuation retirement ~~benefit~~
2 benefits, the payment of which shall commence upon his or her
3 retirement if he or she has attained the age of 55; if the
4 member has not attained the age of 55, payment shall be
5 delayed until the member's attainment of age 55.

6 **"b. 18/60 Provisions.** Subject to the general
7 eligibility requirements stated in subdivision (1) and to this
8 paragraph, a member who is not entitled to voluntarily retire
9 pursuant to subsection (a), superannuation retirement ~~benefit~~
10 benefits, or subdivision (1) of subsection (b), regular early
11 retirement benefit, but who is involuntarily retired after
12 accumulating 18 years of service with the county, at least 10
13 of which is paid membership time, shall be entitled to receive
14 a monthly benefit computed in accordance with the applicable
15 formula set forth in subsection (a), superannuation retirement
16 ~~benefit~~ benefits, the payment of which shall commence as set
17 forth below.

18 **"1. Member contributions.** In order to receive a
19 benefit under paragraph b., a member shall contribute to the
20 plan from the date of the member's involuntary retirement to
21 the date that the benefit commences, by the last day of each
22 calendar month: (i) the amount of employee contributions that
23 he or she would have made if he or she had continued to be
24 employed by the county at the same salary as he or she was
25 receiving at the time of his or her termination of employment,
26 plus (ii) the amount which the county would have contributed
27 to the plan on the member's behalf if he or she had continued

1 to be employed by the county at the same salary as he or she
2 was receiving at the time of his or her termination of
3 employment.

4 "2. Commencement of payment. Payment of a member's
5 involuntary deferred retirement benefit under paragraph b.
6 shall commence upon the earlier of: (i) the date on which the
7 member attains the age of 60; or (ii) the date on which the
8 member would have completed 30 years of service with the
9 county, if he or she had continued employment with the county,
10 regardless of whether the member is employed with another
11 employer at the time payment is to commence; provided however,
12 that if at the time payment of the deferred retirement benefit
13 commences, he or she has not attained the age of 60, the
14 amount of his or her monthly benefit computed in accordance
15 with the applicable subdivision of subsection (a),
16 superannuation retirement ~~benefit~~ benefits, shall be reduced
17 in the same manner as the early retirement ~~benefit~~ benefits is
18 reduced under subdivision (1) of subsection (b).

19 "(d) Offset for payment of hospital, surgical, and
20 medical benefits. To the extent that the county, with
21 sufficient advance written notice, so directs the system, the
22 system shall offset the monthly benefit amount payable to a
23 retired member by an amount, determined by the county, needed
24 to pay for the member's premiums for certain hospital,
25 surgical, and/or medical benefits sponsored by the county. The
26 system shall pay such withheld amounts to the county on a
27 monthly basis. In the event that the county makes an error in

1 its written direction to the system, the system shall not be
2 required to correct such error by adjusting its withholdings;
3 rather, such error shall be corrected between the county and
4 the member. At any time a written opinion from a competent
5 actuary selected by the commission is made indicating that the
6 funds and assets of the system are not actuarially sound, then
7 the benefits of this subsection shall cease to be in effect
8 until such time as an actuary appointed by the commission
9 gives a written opinion that the system is financially sound.
10 Any such actuarial services shall be paid for by the system.

11 "§45-37-123.104.

12 "The following provisions generally govern a
13 member's withdrawal and refund of employee contributions under
14 the plan. Any member who fails to make application for the
15 amount of his or her employee contributions pursuant to this
16 section within five years after his or her separation from the
17 service of the county, except as otherwise provided herein or
18 otherwise determined by the pension board, shall be deemed to
19 have forfeited and donated such employee contributions to the
20 trust fund pursuant to Section 45-37-123.83. The foregoing
21 five year rule only applies to a member; in the case of a
22 beneficiary, the pension board may only forfeit employee
23 contributions after it has exhausted reasonable efforts to
24 locate the beneficiary.

25 "(1) WITHDRAWAL OF EMPLOYEE CONTRIBUTIONS BY MEMBERS
26 NOT ENTITLED TO A DEFERRED RETIREMENT BENEFIT. In the event
27 that a member ceases to be an employee of the county for

1 reasons other than retirement, death, or disability before he
2 or she is eligible for a deferred retirement benefit, such
3 member, upon written application therefore to the pension
4 board, shall be paid the full amount of his or her employee
5 contributions, without interest.

6 "(2) WITHDRAWAL OF EMPLOYEE CONTRIBUTIONS BY MEMBERS
7 ENTITLED TO A DEFERRED RETIREMENT BENEFIT.

8 "a. General Rule. Subject to the limitations stated
9 in paragraph b., in the event that a member ceases to be an
10 employee of the county for reasons other than retirement,
11 death, or disability when he or she is eligible for a deferred
12 retirement benefit, but has not elected a deferred retirement
13 benefit, such member, upon written application therefore to
14 the pension board, shall be paid the full amount of his or her
15 employee contributions, with interest. The provisions of
16 Section 45-37-123.100(c)(1)b. shall govern the withdrawal of
17 employee contributions for any member who has elected a
18 deferred retirement benefit, but has not yet been paid.

19 "b. Rules and Regulations. The pension board shall
20 establish rules and regulations setting forth the amount of
21 interest payable to members under this subdivision. In
22 establishing such rules and regulations, the pension board
23 shall take into consideration the interest the system has
24 earned on the employee contributions paid into the trust fund
25 on account of the member withdrawing such employee
26 contributions. The pension board may amend such rules and
27 regulations at any time in its sole discretion.

1 "(3) PARTIAL REFUND OF EMPLOYEE CONTRIBUTIONS AND
2 CESSATION OF EMPLOYEE CONTRIBUTIONS AND EMPLOYER
3 CONTRIBUTIONS. When a member, who at the commencement of his
4 or her membership in the retirement system does not elect to
5 participate in the optional 25-year superannuation retirement
6 benefit, attains 30 years of paid membership time, the member
7 may elect to terminate his or her employee contributions by
8 filing with the pension board a statement signed by the member
9 stating that he or she elects to terminate his or her employee
10 contributions; in such case, the employer contribution to the
11 trust fund on the member's behalf shall cease. When a member,
12 who at the commencement of his or her membership in the
13 retirement system elects to participate in the optional
14 25-year superannuation retirement benefit, attains 25 years of
15 paid membership time, the member may elect to terminate his or
16 her employee contributions by filing with the pension board a
17 statement, signed by the member, stating that he or she elects
18 to terminate his or her employee contributions. Upon filing,
19 the employer contribution to the trust fund on the member's
20 behalf shall cease. As soon as practicable after a member
21 files such statement, the pension board shall refund to him or
22 her all employee contributions, without interest, made by him
23 or her to the trust fund subsequent to the date on which the
24 member accumulated sufficient service to entitle him or her to
25 the maximum benefit that can be provided under the plan;
26 additionally the pension board shall refund to the county any
27 associated employer contributions, without interest.

1 "(4) REFUNDS UPON DEATH OF A MEMBER.

2 "a. Refund of Employee Contributions for Deceased,
3 Nonvested Active Members Not Entitled to Deferred Retirement
4 Benefits. If a nonvested active member dies, then an amount
5 equal to the total amount of such member's employee
6 contributions, without interest, may be refunded to the
7 member's beneficiary in lump sum form.

8 "b. Refund of Employee Contributions for Deceased,
9 Vested Members Entitled to Deferred Retirement Benefits, but
10 No Payments Have Commenced.

11 "1. Eligibility. Unless an election has been made in
12 accordance with Section 45-37-123.103 to receive a
13 preretirement joint survivorship pension, if a vested member
14 dies, before payments have commenced, then an amount equal to
15 the total amount of such member's employee contributions, with
16 interest, shall be refunded to the member's beneficiary in
17 lump sum form. This rule shall apply regardless of whether the
18 member dies while active, or after a deferred retirement
19 election has been made, so long as payments have not
20 commenced.

21 "2. Rules and regulations. The pension board is
22 authorized to adopt interest rules and regulations providing
23 for the pension board to pay to a beneficiary interest at the
24 rate prescribed in such rules on the member's employee
25 contributions that are to be refunded to the beneficiary. The
26 interest rules and regulations established shall prescribe the
27 terms and conditions on which such interest shall be payable

1 and may impose such limitations on the payment of interest as
2 the pension board deems appropriate.

3 "c. Refund of Employee Contributions for Deceased
4 Members Who Previously Elected a Postretirement Joint
5 Survivorship Pension.

6 "1. Eligibility - Retired member. Subject to items
7 (i) to (iii), inclusive, of subparagraph 2., if a retired
8 member dies after a postretirement joint survivorship pension
9 has been elected, then a refund may be paid in lump sum form
10 only as set forth in subparagraph 2.

11 "2. Rules and regulations. The pension board is
12 authorized to adopt rules and regulations providing for the
13 pension board to refund a member's employee contributions
14 after such member dies with a postretirement joint
15 survivorship pension election in place and to pay interest on
16 any such refund, subject to the conditions and limitations
17 stated below:

18 "(i) Such postretirement joint survivorship pension
19 election shall not be repealed or rescinded but shall be in
20 effect at the time of the refund, and the member shall have
21 enough service at the time of his or her death to be entitled
22 to a deferred retirement benefit if a refund were not made;
23 and

24 "(ii) Both the member and the member's primary
25 beneficiary shall be deceased, thus, no refund is payable in
26 the event that only the member dies while receiving payment of
27 a postretirement joint survivorship pension; and

1 "(iii) The member's employee contributions shall
2 exceed the sum of all monthly retirement benefits the plan has
3 paid to the member and/or the member's beneficiary.

4 "3. Amount of refund. If each of the requirements in
5 subparagraph 1. and subparagraph 2. are met, and the pension
6 board has adopted rules and regulations in accordance with
7 subparagraph 2., then the amount of the refund shall be equal
8 to the amount by which the member's employee contributions
9 exceed the sum of all monthly retirement benefits the plan has
10 paid to such member and/or such member's beneficiary, with
11 interest as provided by rules and regulations adopted by the
12 pension board.

13 "4. Payment made to contingent beneficiary. A refund
14 pursuant to this paragraph shall be paid to the member's
15 designated contingent beneficiary, or, to the member's estate
16 if the contingent beneficiary also is deceased or there is no
17 other properly designated contingent beneficiary.

18 "5. Death while active member. In the event that an
19 active member dies after a postretirement joint survivorship
20 pension has been elected, such election shall be deemed void
21 and the provisions of Section 45-37-123.103(a), preretirement
22 death benefits, shall apply.

23 "d. Refund of Employee Contributions for Deceased
24 Members Who Were Receiving Superannuation, Early, Disability,
25 or Deferred Retirement Benefit Payments. In the event that a
26 member dies while receiving a superannuation retirement
27 benefit, an early retirement benefit, a disability retirement

1 benefit, or a deferred retirement benefit, then his or her
2 beneficiary shall be entitled to receive a refund in an amount
3 equal to the amount by which the member's employee
4 contributions exceed the sum of all monthly retirement
5 benefits the plan has paid to such member, with interest.

6 "e. Proof of Death and Marriage. The pension board
7 may require proper proof of death or marriage in accordance
8 with Section 45-37-123.103(f).

9 "(5) EMPLOYER CONTRIBUTIONS REMAIN IN TRUST FUND.
10 Employer contributions are never refunded to the member or the
11 member's beneficiary. All associated employer contributions
12 shall remain in the trust fund, except such employer
13 contributions that are returned to the county pursuant to
14 subdivision (7).

15 "(6) CESSATION OF EMPLOYMENT. Unless otherwise
16 specifically provided in the plan, such as, pursuant to
17 subdivision (7), a member shall cease to be an employee of the
18 county in order to receive a refund of employee contributions.

19 "(7) REFUNDS TO CORRECT ERRORS. The pension board,
20 in its sole discretion, may refund employee contributions and
21 associated employer contributions to the county to correct
22 various errors, such as, inclusion in the plan of an
23 ineligible individual or overpayment of employee
24 contributions, in accordance with Section 45-37-123.23(b).

25 "(8) NO REFUNDS FOR QUALIFIED MILITARY SERVICE.
26 There shall be no refund of any contributions attributable to

1 amounts that the county restores pursuant to Section
2 45-37-123.80(b) due to a member's qualified military service.

3 "(9) TIMING OF REFUND PAYMENTS. In the event that a
4 refund is to be paid, such payment shall be made as soon as
5 administratively practical following the date upon which
6 entitlement to the refund occurs.

7 "(10) REFUND TO INCLUDE AMOUNTS TRANSFERRED FROM
8 457(b) PLAN. In the event that any member transfers amounts
9 from a § 457(b), Internal Revenue Code, plan in accordance
10 with Section 45-37-123.190(b), a refund shall include such
11 transferred amounts, with interest if the member is vested."

12 Section 2. The amendatory provisions of this act
13 shall apply only to individuals who commence membership in the
14 General Retirement System for Employees of Jefferson County
15 after October 1, 2022.

16 Section 3. All laws or parts of laws which conflict
17 with this act are repealed.

18 Section 4. This act shall become effective October
19 1, 2022, following its passage and approval by the Governor,
20 or its otherwise becoming law.