

1 HB346
2 217404-2
3 By Representative Ellis
4 RFD: County and Municipal Government
5 First Read: 15-FEB-22

1
2 ENROLLED, An Act,

3 Relating to the Employees' Retirement System of
4 Alabama; to amend Section 36-27-6.5, Code of Alabama 1975, to
5 remove the date limitation on a participating local employer
6 for electing to provide to its Tier II plan members the same
7 retirement benefits as provided to Tier I plan members.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. Section 36-27-6.5 of the Code of Alabama
10 1975, is amended to read as follows;

11 "§36-27-6.5.

12 "(a) Any employer participating in the Employees'
13 Retirement System of Alabama pursuant to Section 36-27-6, ~~may,~~
14 by adoption of a resolution ~~by May 8, 2021,~~ may elect to
15 provide to its Tier II plan members the same retirement
16 benefits provided to Tier I plan members. Provided, however,
17 the Employees' Retirement System Board of Control, based on a
18 staff review of the historical compliance with ERS
19 requirements as well as the financial stability of the local
20 government entity, may elect to deny the election authorized
21 ~~herein~~ in this section. The local entity may petition the
22 Board of Control for a reconsideration of its action ~~by May 8,~~
23 ~~2021~~. The election shall be irrevocable and shall be effective
24 at the beginning of the fiscal year following the date the
25 resolution is received by the ERS.

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

17 "(c) Anything in this article to the contrary
18 notwithstanding, in the application of the provisions of
19 Sections 36-27-16 and 16-25-14 to a member whose creditable
20 service includes periods of service to different Tier plans,
21 the benefit rates of each respective Tier plan will be
22 applicable to the creditable service earned while in each
23 respective Tier plan. In all other respects, the pension under
24 this subsection shall be determined on the basis of the

1 member's Tier plan at the time of his or her withdrawal from
2 service."

3 Section 2. This act shall become effective
4 immediately following its passage and approval by the
5 Governor, or its otherwise becoming law.

