

SB301 INTRODUCED



1 SB301
2 PMKTRGE-1
3 By Senators Hatcher, Coleman-Madison, Smitherman, Stewart,
4 Beasley, Coleman, Singleton
5 RFD: Finance and Taxation Education
6 First Read: 04-Apr-24



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SYNOPSIS:

This bill would provide for a benefit increase for certain retirees of the Teachers' Retirement System on October 1, 2024.

A BILL
TO BE ENTITLED
AN ACT

Providing for a benefit increase for certain retirees and beneficiaries of the Teachers' Retirement System effective October 1, 2024.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) Commencing October 1, 2024, and subject to the provisions of HB201 of the 2024 Regular Session, there is provided an increase in benefits to each individual currently receiving benefits whose effective date of retirement was prior to October 1, 2023, for purposes of receiving benefits and to certain beneficiaries of deceased members and deceased retirees currently receiving survivor benefits, if the effective date of retirement or death for the deceased retiree or deceased member was prior to October 1, 2023, for purposes of receiving benefits from the Teachers' Retirement System, a cost-of-living increase of three percent



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29 of the current gross benefit, but not less than fifteen
30 dollars (\$15) per month.

31 (b) Commencing October 1, 2024, there is provided an
32 increase in benefits to certain individuals identified in this
33 subsection who are currently receiving benefits whose
34 effective date of retirement was prior to October 1, 2023, for
35 purposes of receiving benefits from the Teachers' Retirement
36 System and to certain beneficiaries of deceased members and
37 deceased retirees who are currently receiving survivor
38 benefits if the effective date of retirement or death for the
39 deceased member or retiree was prior to October 1, 2023, for
40 purposes of receiving benefits from the Teachers' Retirement
41 System, a cost-of-living increase of three percent of the
42 current gross benefit. In no case shall the cost-of-living
43 increase be less than fifteen dollars (\$15) per month. The
44 benefits provided in this subsection are limited to those
45 retirees whose participation in the Teachers' Retirement
46 System was based on Section 36-27-6, Code of Alabama 1975, and
47 whose employer at the time of retirement was a local board of
48 education or a state-supported institution of higher
49 education. The benefits granted in this subsection shall not
50 apply to any other participants in the Teachers' Retirement
51 System.

52 (c) Any future survivor allowance shall be adjusted as
53 provided in the member's original option selection for those
54 eligible retirees who have selected a monthly survivor
55 allowance payable to a designated beneficiary upon the death
56 of the retiree, or as otherwise provided by law in the case of



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57 a qualifying member who dies prior to October 1, 2024.

58 (d) The Board of Control of the Teachers' Retirement
59 System shall determine annually the amount required to pay the
60 cost of the increased allowance provided under this section
61 and shall notify the chief fiscal officer of each employer of
62 the per centum rates of earnable compensation of the members
63 required to be paid to the retirement system. Each employer of
64 members of the Teachers' Retirement System shall pay on
65 account of the increases provided in this section in the same
66 manner and from the same source of funds as provided in
67 Section 16-25-21, Code of Alabama 1975, it being the intent of
68 the Legislature that the cost of providing the increases in
69 this section shall be distributed from all funds in proportion
70 to the salaries paid therefrom for active members.

71 (e) Any individual who received benefits under the
72 Medicaid Program and whose eligibility for Medicaid benefits
73 would be impaired by the cost-of-living increase provided by
74 this section shall not be entitled to receive the
75 aforementioned increase. Any individual who subsequently
76 applies for benefits under the Medicaid Program and that
77 individual's eligibility to receive benefits is impaired by
78 the cost-of-living increase provided by this section shall not
79 be entitled to receive the increase subsequent to the date
80 that the member files application for benefits under the
81 Medicaid Program.

82 (f) Pursuant to HB201 of the 2024 Regular Session, the
83 Teachers' Retirement System shall pay the benefit increase to
84 the eligible retirees and beneficiaries provided for in this



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85 section only if the annual cost of the increase as estimated
86 by the actuary of the system is included and appropriated in
87 the Education Trust Fund appropriation act for each fiscal
88 year by a separate employer rate. In any fiscal year in which
89 the required separate employer rate is not identified and
90 appropriated in the appropriation act, eligible retirees and
91 beneficiaries shall not receive, and the Teachers' Retirement
92 System shall not be required to pay, the increase in that
93 fiscal year. The benefit increase may be resumed in any
94 subsequent fiscal year if included in that year's
95 appropriation act.

96 Section 2. This act shall become effective on October
97 1, 2024.