

HB343 INTRODUCED



1 HB343
2 XD8N5E7-1
3 By Representative Carns (N & P)
4 RFD: Jefferson County Legislation
5 First Read: 27-Feb-25



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A BILL
TO BE ENTITLED
AN ACT

Relating to the General Retirement System for Employees of Jefferson County; to amend Sections 45-37-123.01 and 45-37-123.50, Code of Alabama 1975, as last amended by Act 2024-260, 2024 Regular Session; to remove certain provisions tying eligibility to participate in the plan to an eligible employee's civil service classification with the Personnel Board of Jefferson County; to provide that every eligible employee other than part-time employees employed by the county on and after October 1, 2025, shall be a mandatory member of the system and make contributions thereto; to provide that individuals elected or appointed to a full-time county office created by the Legislature or otherwise provided for by the Constitution of Alabama of 2022, and part-time employees of the county shall remain optional members in the system on and after October 1, 2025; and to make nonsubstantive, technical revisions to update the existing code language to current style.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 45-37-123.01 and 45-37-123.50, Code of Alabama 1975, as last amended by Act 2024-260, 2024 Regular



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29 Session, are amended to read as follows:

30 "§45-37-123.01

31 For the purposes of this part, the following terms
32 ~~shall~~ have the following meanings:

33 (1) ACT. The act adding this part, to be called the
34 General Retirement System for Employees of Jefferson County
35 Act.

36 (2) ACTIVE MEMBER. An individual who currently is
37 employed by the county or other entities set forth in
38 subdivision (20) and is making employee contributions to the
39 system pursuant to Section 45-37-123.82.

40 (3) ACTUARIAL EQUIVALENT. Effective July 30, 1984, or
41 such other dates as set forth in Exhibit A to the plan
42 document, which is maintained in the office of the pension
43 board, a form of benefit differing in time, period, or manner
44 of payment from a specific benefit provided under the plan but
45 having the same value when computed using the mortality
46 tables, the interest rate, and any other assumptions last
47 adopted by the pension board, which assumptions shall clearly
48 preclude any discretion in the determination of the amount of
49 a member's benefit.

50 (4) ACTUARIAL GAIN. As defined in Section
51 45-37-123.106(f)(1).

52 (5) ANNUITY STARTING DATE. As used in Subpart 6 and in
53 Section 45-37-123.106, means, with respect to any member, the
54 first day of the first period for which an amount is paid as
55 an annuity, or, in the case of a benefit not payable in the
56 form of an annuity, the first day on which all events have



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57 occurred which entitles the member to such benefit.

58 (6) BASIC AVERAGE SALARY. Generally means, effective as
59 of February 1, 2010, the monthly compensation of a member
60 averaged over the period of 36 consecutive months of paid
61 membership time during which such member's average monthly
62 compensation was higher than any other period of 36
63 consecutive months of paid membership time. For example, if a
64 member terminated employment on June 20, 2010, and his or her
65 highest consecutive 36-month period ends on the member's date
66 of termination of employment, then the measuring period for
67 determining basic average salary would be from June 21, 2007,
68 through June 20, 2010. The following rules shall apply in
69 calculating basic average salary:

70 a. Daily Compensation Calculation. Subject to the
71 additional rules stated in this subdivision, the compensation
72 earned in each year, or portion of a year, during the 36-month
73 period shall be determined on a daily basis. The total of the
74 compensation earned in each applicable year, or portion
75 thereof, shall be added together and then divided by 36 to
76 arrive at the member's basic average salary. If the foregoing
77 process is not workable in some situations, then the pension
78 board shall approve a different method which is reasonable
79 given the terms of the act and the individual circumstances.

80 b. Use of Unpaid Membership Time. The compensation paid
81 to a member during unpaid membership time shall only be
82 considered in determining the member's basic average salary
83 for periods of employment prior to August 16, 1996.

84 c. Tacking of Nonconsecutive Paid Membership Time.



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85 Separate periods of paid membership time may be tacked and
86 considered as consecutive if the member does not have any paid
87 membership time between the periods so tacked. For example, if
88 the member did not have any paid membership time between two
89 periods of paid membership time due to a leave of absence, the
90 leave of absence would be ignored in calculating basic average
91 salary.

92 d. Post-termination. Notwithstanding any provisions of
93 this plan to the contrary, a member's final paycheck from the
94 county shall be counted in computing a member's basic average
95 salary, but only to the extent that such paycheck constitutes
96 compensation, and the highest consecutive 36-month period
97 otherwise would end on the date of the member's termination of
98 employment.

99 (7) BENEFICIARY. The individual, or entity, designated
100 as provided in Section 45-37-123.103(d) to receive the
101 benefits which are payable under the plan upon or after the
102 death of a member.

103 (8) BENEFIT ENHANCEMENT. An across the board increase
104 to a previously awarded benefit to which a member is entitled.

105 (9) COMMISSION. The Jefferson County Commission.

106 (10) COMPENSATION.

107 a. With respect to any member means:

108 1. The regular salary or hourly wages paid to a member,
109 based on his or her pay grade, as established by the Personnel
110 Board of Jefferson County, or other appropriate authority, for
111 a calendar year ending with or within the applicable plan year
112 including any employee contributions pursuant to Section



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113 45-37-123.82(a);

114 2. Plus any accumulated vacation time paid by the
115 county;

116 3. Plus Worker's Compensation benefits, only as
117 described in subdivision (65); and

118 4. Any differential wage payment, as defined in 26
119 U.S.C. § 3401(h)(2), generally relating to military pay.

120 b. Bonuses, overtime, longevity pay, paid accumulated
121 sick leave that is paid in the form of a lump sum, uniform
122 allowances, expense allowances, and any other nonregular forms
123 of compensation are excluded.

124 c. Compliance with 26 U.S.C. § 401(a)(17). Because the
125 transitional rule provided by Treasury Regulation §
126 1.401(a)(17)-1(d)(4) of the regulations issued under 26 U.S.C.
127 § 401(a)(17) does not apply to the plan, compensation of each
128 member taken into account in determining benefit accruals in
129 any plan year beginning after December 31, 2001, shall not
130 exceed two hundred thousand dollars (\$200,000), or any other
131 amount provided in the Internal Revenue Code. The amount shall
132 be adjusted for increases in the cost-of-living in accordance
133 with 26 U.S.C. § 401(a)(17)(B), except that the dollar
134 increase in effect on January 1 of any calendar year shall be
135 effective for the calendar years beginning with the calendar
136 year. For any short calendar year, the compensation limit
137 shall be an amount equal to the compensation limit for the
138 calendar year in which the calendar year begins multiplied by
139 the ratio obtained by dividing the number of full months in
140 the short calendar year by 12. For purposes of determining



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141 benefit accruals in a plan year beginning after December 31,
142 2001, compensation for any prior calendar year shall be
143 limited to one hundred fifty thousand dollars (\$150,000) for
144 any calendar year beginning in 1996, one hundred sixty
145 thousand dollars (\$160,000) for any calendar year beginning in
146 1997, 1998, or 1999; and one hundred seventy thousand dollars
147 (\$170,000) for any calendar year beginning in 2000 or 2001.

148 (11) COUNTY. Jefferson County, Alabama, and any
149 successor which shall maintain this plan. However, references
150 herein to employment by the county also shall include
151 employment by other entities set forth in subdivision (20) and
152 by entities for which the county is acting as payroll agent or
153 where the county is being reimbursed by an entity for the
154 compensation of such entities' workers or where the entity has
155 appointing authority with respect to the workers. Accordingly,
156 such entities' workers shall be covered by the plan to the
157 extent allowed under the act and as determined by the pension
158 board in its administration of the plan.

159 (12) DEFERRED RETIREMENT BENEFIT. A benefit payable
160 pursuant to the terms of Section 45-37-123.100(c).

161 (13) DESIGNATED BENEFICIARY. The individual or entity
162 designated as provided in Section 45-37-123.103(d) to receive
163 a benefit payable under the plan upon or after the death of a
164 member or a beneficiary, as applicable.

165 (14) DISABILITY BENEFIT. A benefit payable pursuant to
166 the terms of Section 45-37-123.102.

167 (15) DISABLED MEMBER. A member who is currently
168 receiving a disability benefit from the system pursuant to



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169 Section 45-37-123.102.

170 (16) DISTRIBUTION CALENDAR YEAR. As defined in Section
171 45-37-123.106(f)(3).

172 (17) EARLY RETIREMENT BENEFIT. A benefit payable
173 pursuant to the terms of Section 45-37-123.100(b).

174 (18) EFFECTIVE DATE. May 23, 2013, except as otherwise
175 provided.

176 (19) ELIGIBLE COST-OF-LIVING INDEX. As defined in
177 Section 45-37-123.106(f)(4).

178 (20) ELIGIBLE EMPLOYEE.

179 a. ~~The~~ Except for those individuals occupying positions
180 listed in paragraph b., the following individuals ~~affiliated~~
181 ~~with Jefferson County, Alabama, or the State of Alabama~~ are
182 eligible to participate in the plan:

183 1. Any individual employed by Jefferson County at a
184 wage or salary payable at regular intervals, ~~whether or not~~
185 ~~the individual is subject to the Personnel Board of Jefferson~~
186 ~~County.~~

187 2. Any individual elected or appointed to a job or
188 position with or for Jefferson County, whose compensation ~~was~~
189 is paid or shall be paid, in whole or in part, by Jefferson
190 County while occupying the job or position.

191 3. Any individual who occupies a county office in
192 Jefferson County that is created by an act of the Legislature
193 ~~of the State of Alabama~~ or is provided for by the Constitution
194 of Alabama of 2022, and the office requires full-time service.
195 ~~The individual is an eligible county office employee.~~

196 4. Any individual employed by the General Retirement



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197 System for Employees of Jefferson County at a wage or salary
198 payable at regular intervals, ~~whether or not the individual is~~
199 ~~subject to the Personnel Board of Jefferson County.~~

200 5. Any individual employed by the Personnel Board of
201 Jefferson County at a wage or salary payable at regular
202 intervals, ~~whether or not the individual is subject to the~~
203 ~~Personnel Board of Jefferson County.~~

204 6. Any individual employed by an entity for which the
205 county is acting as payroll agent or for which the county has
206 agreed to be reimbursed by the entity for the compensation
207 paid to the individual, ~~whether or not the individual is~~
208 ~~subject to the Personnel Board of Jefferson County.~~

209 b. An eligible employee shall not include:

210 1. Any individual who is appointed or elected as a
211 member of any board or commission of Jefferson County,
212 provided that service on the board or commission does not
213 require full-time service or the members on the board or
214 commission receive no compensation for their service except
215 for meetings attended by them. i

216 2. Any individual whose employment is temporary so long
217 as his or her employment remains temporary. An individual's
218 employment shall be deemed to be temporary within the meaning
219 of this subparagraph if the employment is temporary as defined
220 by the Personnel Board of Jefferson County or any other
221 individual or entity responsible for classifying employment,
222 or if the officers, board, commission, or agency employing the
223 individual certifies in writing to the pension board that the
224 employment is temporary. i



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- 225 3. Any leased employee and any independent contractor-;
- 226 4. Any employee or appointee of a city or county board
- 227 of education or a library board;
- 228 5. Any employee of the State of Alabama;
- 229 6. The judge of any court;
- 230 7. Any employee of a city; or
- 231 8. Any employee of a public school district.

232 (21) EMPLOYEE. Any individual who is employed by the

233 county or elected or appointed to a job or position with or

234 for the county. An employee shall exclude any leased employee

235 and any independent contractor as the terms are defined by the

236 pension board or the Personnel Board of Jefferson County, or

237 any other individual or entity responsible for classifying

238 employment. See also subdivision (11), which covers situations

239 in which other entities may be the employer of eligible

240 employees.

241 (22) EMPLOYEE CONTRIBUTION. The amount a member is

242 required to contribute to the plan as a condition of

243 employment and participation in the plan pursuant to Section

244 45-37-123.82 and any amount required to be treated as an

245 employee contribution in accordance with Section

246 45-37-123.190(b), relating to transfers from 26 U.S.C. §

247 457(b), plans.

248 (23) EMPLOYER CONTRIBUTION. The amount the county is

249 required to contribute to the plan pursuant to Section

250 45-37-123.20(b) and Section 45-37-123.80(a).

251 (24) EXECUTIVE DIRECTOR. The individual designated by

252 the pension board to manage the employees and day-to-day



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253 administration of the system. The individual shall not be
254 employed by the Jefferson County Commission or subject to the
255 Personnel Board of Jefferson County or any other individual or
256 entity responsible for classifying employment.

257 (25) FISCAL YEAR. The system's accounting year of 12
258 months commencing on October 1 of each year and ending the
259 following September 30.

260 (26) 415 COMPENSATION. With respect to any member means
261 the member's wages as defined in 26 U.S.C. § 3401(a) and all
262 other payments of compensation by the county, in the course of
263 the county's trade or business, for a calendar year ending
264 with or within the plan year for which the county is required
265 to furnish the member a written statement under 26 U.S.C. §§
266 6041(d), 6051(a)(3), and 6052. 415 compensation shall be
267 determined without regard to any rules under 26 U.S.C. §
268 3401(a) that limit the remuneration included in wages based on
269 the nature or location of the employment or the services
270 performed, such as the exception for agricultural labor in 26
271 U.S.C. § 3401(a)(2). Notwithstanding the above, the
272 determination of 415 compensation shall be made by including
273 any elective deferral, as defined in 26 U.S.C. § 402(g)(3),
274 and any amount which is contributed by the county at the
275 election of the member pursuant to a salary reduction
276 agreement and which is not includible in the gross income of
277 the member by reason of 26 U.S.C. §§ 125, 132(f)(4),
278 402(e)(3), 402(h)(1)(B), 403(b), or 457(b), and employee
279 contributions described in 26 U.S.C. § 414(h)(2), that are
280 treated as employer contributions. For this purpose, effective



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281 January 1, 1998, amounts not includible in gross income under
282 26 U.S.C. § 125 shall be deemed to include any amounts not
283 available to a member in cash in lieu of group health coverage
284 because the member is unable to certify that the member has
285 other health coverage, provided the county does not request or
286 collect information regarding the member's other health
287 coverage as part of the enrollment process for the health
288 plan.

289 a. Compensation Paid After Severance from Employment.

290 With respect to limitation years beginning on and after July
291 1, 2007, 415 compensation shall be adjusted for the following
292 types of compensation paid after a member's severance from
293 employment with the county, or any other entity that is
294 treated as the county pursuant to 26 U.S.C. § 414(b), (c),
295 (m), or (o).

296 1. The following amounts shall be included in 415
297 compensation to the extent these amounts are paid by the later
298 of two months after severance from employment or by the end of
299 the limitation year that includes the date of such severance
300 from employment:

301 (i) Regular pay. 415 compensation shall include regular
302 pay after severance from employment if:

303 A. The payment is regular compensation for services
304 during the member's regular working hours, or compensation for
305 services outside the member's regular working hours, such as
306 overtime or shift differential, commissions, bonuses, or other
307 similar payments; and

308 B. The payment would have been paid to the member prior



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309 to a severance from employment if the member had continued in
310 employment with the county.

311 (ii) Leave cashouts. 415 compensation shall include
312 leave cashouts if those amounts would have been included in
313 the definition of 415 compensation if they were paid prior to
314 the member's severance from employment, and the amounts are
315 payment for unused accrued bona fide sick, vacation, or other
316 leave, but only if the member would have been able to use the
317 leave if employment had continued.

318 (iii) Deferred compensation. 415 compensation shall
319 include deferred compensation if the compensation would have
320 been included in the definition of 415 compensation if it had
321 been paid prior to the member's severance from employment, and
322 the compensation is received pursuant to a nonqualified
323 unfunded deferred compensation plan, but only if the payment
324 would have been paid at the same time if the member had
325 continued in employment with the county and only to the extent
326 that the payment is includible in the member's gross income.

327 2. The following amounts shall not be included in 415
328 compensation:

329 (i) Salary continuation payments for military service
330 participants. 415 compensation does not include payments to an
331 individual who does not currently perform services for the
332 county by reason of qualified military service to the extent
333 those payments do not exceed the amounts the individual would
334 have received if the individual had continued to perform
335 services for the county rather than entering qualified
336 military service.



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337 (ii) Salary continuation payments for disabled
338 participants. 415 compensation does not include compensation
339 paid to a member who is permanently and totally disabled, as
340 defined in 26 U.S.C. § 22(e)(3).

341 b. Administrative Delay or the First Few Weeks Rule.

342 With respect to limitation years beginning on and after July
343 1, 2007, 415 compensation does not include amounts earned but
344 not paid during the limitation year solely because of the
345 timing of pay periods and pay dates.

346 c. Back Pay. With respect to limitation years beginning
347 on and after July 1, 2007, payments awarded by an
348 administrative agency or court or pursuant to a bona fide
349 agreement by the county to compensate a member for lost wages
350 are 415 compensation for the limitation year to which the back
351 pay relates, but only to the extent the payments represent
352 wages and compensation that would otherwise be included in 415
353 compensation.

354 (27) INVESTMENT MANAGER. An entity that has the power
355 to manage, acquire, or dispose of plan assets and acknowledges
356 fiduciary responsibility to the plan in writing. The entity
357 shall be an individual, firm, or corporation registered as an
358 investment adviser under the Investment Advisers Act of 1940,
359 15 U.S.C. §§ 80b-1 through 80b-21, a bank, or an insurance
360 company.

361 (28) INVOLUNTARY DEFERRED RETIREMENT BENEFIT. A benefit
362 payable pursuant to the terms of Section 45-37-123.100(c)(3).

363 (29) INTERNAL REVENUE CODE. The Internal Revenue Code
364 of 1986, Title 26 of the United State Code, as amended or



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365 replaced from time to time.

366 (30) JOINT SURVIVOR. The designated beneficiary of a
367 deceased member who shall become a member of the system upon
368 the deceased member's death and who is eligible to receive
369 payment of a preretirement joint survivorship pension benefit
370 pursuant to Section 45-37-123.103 or a postretirement joint
371 survivorship pension benefit pursuant to Section
372 45-37-123.101.

373 (31) JOINT SURVIVORSHIP PENSION. Either a preretirement
374 joint survivorship pension or a postretirement joint
375 survivorship pension.

376 (32) LIFE EXPECTANCY. As defined in Section
377 45-37-123.106(f)(5).

378 (33) MEDICAL ADVISOR. The pension board's medical
379 advisors or other appointed physicians or vocational
380 specialists.

381 (34) MEMBER. Any eligible employee who, depending on
382 the context as used throughout this plan, participates, or
383 participated, in the plan as either an active member, a
384 retired member, a disabled member, or the joint survivor of a
385 deceased member who is receiving payment of a preretirement
386 joint survivorship pension benefit pursuant to Section
387 45-37-123.103 or a postretirement joint survivorship pension
388 benefit pursuant to Section 45-37-123.101.

389 (35) MISSING BENEFICIARY. The designated beneficiary of
390 a member whose whereabouts are unknown to the system or who is
391 nonresponsive, or both.

392 (36) MISSING PARTICIPANT. A member of the system who



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393 has separated from employment with the county without refund
394 of his or her employee contributions and whose whereabouts are
395 unknown to the system or who is nonresponsive, or both.

396 (37) NONSERVICE CONNECTED DISABILITY. A total
397 disability or partial disability while the member is employed
398 by the county that is not a service connected disability.

399 (38) NONVESTED. All members who are not vested.

400 (39) PAID MEMBERSHIP TIME. The time during which a
401 member made, or shall have made, employee contributions to the
402 system and other previous retirement systems, provided,
403 however, that if a member, for any reason, including
404 termination of employment, withdraws his or her employee
405 contributions, the period during which the employee
406 contributions are withdrawn shall be considered unpaid
407 membership time, unless it was previously converted to paid
408 membership time. Paid membership time also shall include a
409 member's absence due to qualified military service. Years of
410 paid membership time shall be calculated in accordance with
411 Section 45-37-123.84.

412 (40) PARTIAL DISABILITY. A permanent disability that is
413 less than a total disability determined in accordance with
414 Section 45-37-123.102(a)(3).

415 (41) PENSION BENEFIT. A superannuation retirement
416 benefit, early retirement benefit, or deferred retirement
417 benefit payable pursuant to Section 45-37-123.100 or a
418 preretirement or postretirement joint survivorship pension
419 payable pursuant to Section 45-37-123.103 or Section
420 45-37-123.101.



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421 (42) PENSION BOARD. The administrator of the plan,
422 whose powers and duties of administration are more fully
423 described in Subpart 2.

424 (43) PERSONNEL BOARD OF JEFFERSON COUNTY. The personnel
425 system for employees of the county.

426 (44) PLAN or SYSTEM. The General Retirement System for
427 Employees of Jefferson County, which plan or system may sue or
428 be sued, and in such name all of its business shall be
429 transacted.

430 (45) PLAN YEAR. The plan's accounting year of 12 months
431 commencing on January 1 of each year and ending the following
432 December 31.

433 (46) POSTRETIREMENT JOINT SURVIVORSHIP PENSION. The
434 benefit described in Section 45-37-123.101.

435 (47) PRERETIREMENT JOINT SURVIVORSHIP PENSION. The
436 benefit described in Section 45-37-123.103.

437 (48) PREVIOUS RETIREMENT SYSTEMS. The retirement
438 systems established by Acts 1953, No. 551, 1953 Regular
439 Session (Acts 1953, p. 766), as amended, the Employees'
440 Retirement System of Jefferson County, and by Acts 1961, No.
441 843, 1961 Regular Session (Acts 1961, p. 1250), as amended,
442 the Employees General Retirement System of Jefferson County.

443 (49) QUALIFIED MILITARY SERVICE. Except as otherwise
444 subsequently provided under 26 U.S.C. § 414(u), the
445 performance of duty, on a voluntary or involuntary basis, in a
446 uniformed service under competent authority, and includes
447 active duty, active duty for training, initial active duty for
448 training, inactive duty training, full-time national guard



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449 duty, a period for which an individual is absent from a
450 position of employment for the purpose of an examination to
451 determine the fitness of the individual to perform any duty,
452 and a period for which an individual is absent from employment
453 for the purpose of performing funeral honors duty.

454 (50) REGULAR DEFERRED RETIREMENT BENEFIT. A benefit
455 payable pursuant to the terms of Section 45-37-123.100(c)(2).

456 (51) REGULATION. The income tax regulations as adopted
457 by the Secretary of the Treasury or a delegate of the
458 Secretary of the Treasury, as amended from time to time.

459 (52) REQUIRED BEGINNING DATE. As defined in Section
460 45-37-123.106(f)(6).

461 (53) RETIRED MEMBER. An individual who currently is
462 receiving a pension benefit from the system pursuant to
463 Section 45-37-123.100.

464 (54) SERVICE CONNECTED DISABILITY. A total disability
465 or partial disability, caused by an accident or injury arising
466 out of and in the course of a member's employment with the
467 county.

468 (55) SERVICE RECORD. An employee's record of service
469 upon which the pension board bases all of the member's benefit
470 calculations, including records of the county.

471 (56) SICK LEAVE RETIREMENT CONVERSION. A program
472 sponsored by the county or other entities set forth in
473 subdivision (20) wherein a member is paid for accumulated sick
474 leave time.

475 (57) SUPERANNUATION RETIREMENT BENEFIT. A benefit
476 payable pursuant to Section 45-37-123.100(a).



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477 (58) SYSTEM or PLAN. The General Retirement System for
478 Employees of Jefferson County, which system or plan may sue or
479 be sued, and in such name all of its business shall be
480 transacted.

481 (59) SPOUSE. The legal wife or husband of a member as
482 determined in accordance with federal law.

483 (60) TOTAL DISABILITY. A permanent physical or mental
484 condition of a member resulting from bodily injury, disease,
485 or mental disorder which renders the member incapable of
486 continuing usual and customary employment with the county. The
487 disability of a member shall be determined by a licensed
488 medical advisor.

489 (61) TRUSTEE. The pension board or the individual or
490 entity appointed by the pension board and named as trustee
491 herein or in any separate trust forming a part of the plan,
492 and any successors.

493 (62) TRUST FUND. The tax-qualified trust in which
494 certain plan funds are held, disbursed, transferred, and
495 invested by the trustee at the pension board's, or its
496 designated investment manager's, discretion and in accordance
497 with this part, the Internal Revenue Code, and other
498 applicable laws and regulations.

499 (63) UNPAID MEMBERSHIP TIME.

500 a. Subject to paragraph d., all of the following:

501 1. Time during which a member was employed by the
502 county, but the member did not make employee contributions to
503 the system or other previous retirement systems, or both.

504 2. Time during which a member withdrew employee



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505 contributions for any reason, including upon a termination of
506 employment, unless this period of time was later converted to
507 paid membership time.

508 3. Time during which an individual held an elective
509 office or was employed in a full-time job or position in the
510 service of any municipality, governmental agency, or
511 subdivision or held an elective office, provided that at the
512 time the individual served with the municipality, governmental
513 agency, or subdivision, it was subject to the Personnel Board
514 of Jefferson County.

515 b. Unpaid membership time shall not include any of the
516 following:

517 1. Service with a municipality, governmental agency, or
518 subdivision if the employee received a pension from the
519 municipality, governmental agency, or subdivision, on account
520 of such service or if such service was considered in the
521 calculation of the pension.

522 2. Any unpaid membership time that has been converted
523 to paid membership time.

524 3. Any service in a temporary job or position, as
525 determined by the pension board.

526 c. If the prior service with a municipality,
527 governmental agency, or subdivision was not an elective office
528 or in a classified position, the prior service shall not be
529 treated as unpaid membership time unless the employee
530 establishes to the satisfaction of the pension board that the
531 service was a full-time job.

532 d. Only with respect to employees entering the system



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533 on or before August 16, 1996, years of unpaid membership time
534 are used in computing accrued benefits under the plan, as are
535 months of unpaid membership time. Months are converted into a
536 fraction of a year as set forth in Section 45-37-123.84.
537 Notwithstanding any provision of the plan to the contrary,
538 unpaid membership time shall not accrue after August 16, 1996,
539 and shall not apply to members who initially join the system,
540 or members who rejoin the system after having withdrawn, after
541 August 16, 1996.

542 (64) VESTED. The portion of a member's benefits under
543 the plan that have accrued pursuant to Section
544 45-37-123.100(c)(2)b. and are therefore nonforfeitable. A
545 member's benefit shall become vested and nonforfeitable upon
546 any of the following events:

547 a. The member's accrual of at least 10 years of paid
548 ~~service;~~ membership time.

549 b. Partial or full termination of the plan as set forth
550 in Section 45-37-123.170; ~~or.~~

551 c. Meeting the eligibility conditions for entitlement
552 to a benefit under Subpart 5.

553 (65) WORKER'S COMPENSATION BENEFITS. Any benefit paid
554 to a member under any worker's compensation law of the State
555 of Alabama for any injury or disability suffered by the member
556 while working for the county on the job or position by reason
557 of which he or she is a member. Additionally, worker's
558 compensation benefits are included in compensation for
559 purposes of determining employee contributions pursuant to
560 Section 45-37-123.82. Worker's compensation benefits are



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561 included in compensation for purposes of calculating a pension
562 benefit only if inclusion of the worker's compensation
563 benefits produces a higher benefit than exclusion of such
564 worker's compensation benefits."

565 "§45-37-123.50

566 Any eligible employee may become a member of the system
567 as described in this section. Notwithstanding the following,
568 any individual who was a member of the system prior to the
569 effective date of the amendment and restatement of the plan
570 shall continue to be a member of the system.

571 (1) MANDATORY MEMBERSHIP. ~~Except~~ On and after October
572 1, 2025, and except as otherwise provided in subdivision (2),
573 every eligible employee who occupies a full-time position
574 ~~subject to the Personnel Board of Jefferson County~~ shall
575 become a member of the system and shall make employee
576 contributions to the system in accordance with Section
577 45-37-123.82. If an employee subsequently occupies a position
578 not subject to the Personnel Board of Jefferson County, the
579 employee shall remain a mandatory and contributing member of
580 the system, except as otherwise provided herein.

581 (2) OPTIONAL MEMBERSHIP. ~~The following eligible~~
582 ~~employees may exercise~~ On and after October 1, 2025, any
583 individual elected or appointed to a full-time county office
584 in Jefferson County that is created by an act of the
585 Legislature or pursuant to the Constitution of Alabama of
586 2022, and any part-time employee of the county shall have the
587 option to become a member of the system by filing with the
588 executive director an executed declaration stating that he or



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589 she elects to become a member of the system, subject to all of
590 the rights and liabilities of members of the system. The
591 declaration shall be in such form and time as the pension
592 board may prescribe. Once the declaration is accepted by the
593 pension board or a representative of the pension board, the
594 eligible employee then shall become a member of the system and
595 shall begin to make employee contributions to the system in
596 accordance with Section 45-37-123.82. The election to become
597 or not become a member, once exercised, shall be irrevocable.

598 ~~a. Eligible Employees Not Subject to the Personnel~~
599 ~~Board of Jefferson County. Any eligible employee who occupies~~
600 ~~a full-time or part-time position not subject to the Personnel~~
601 ~~Board of Jefferson County may not become a member of the~~
602 ~~system unless he or she exercises the written option to become~~
603 ~~a member.~~

604 ~~b. Eligible County Office Employees and Eligible~~
605 ~~Part-Time Employees. Notwithstanding the mandatory membership~~
606 ~~provisions in subdivision (1), any eligible county office~~
607 ~~employee, as defined in Section 45-37-123.01, and any~~
608 ~~part-time employee who occupies a position subject to the~~
609 ~~Personnel Board of Jefferson County may not become a member of~~
610 ~~the system unless he or she exercises the written option to~~
611 ~~become a member."~~

612 Section 2. This act shall become effective on October
613 1, 2025.