

## HB186 INTRODUCED



1 HB186  
2 4UQ683R-1  
3 By Representative Paschal  
4 RFD: Ways and Means General Fund  
5 First Read: 13-Jan-26



## SYNOPSIS:

Under existing law, first responders who participate in the Retirement Systems of Alabama (RSA) and are permanently and totally unable to perform the duties of a firefighter or law enforcement officer due to injuries sustained in the line of duty may be eligible for full retirement benefits based upon their Tier and number of years of creditable service in the system.

This bill would provide full retirement benefits for first responders who participate in the system and are permanently and totally unable to perform the duties of a firefighter or law enforcement officer due to injuries sustained in the line of duty, regardless or their Tier and number of years of creditable service in the system.

This bill would also provide for retroactive application to January 1, 2023.

A BILL

TO BE ENTITLED

AN ACT

Relating to the Retirement Systems of Alabama; to amend



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Section 36-27-16, Code of Alabama 1975, to provide full retirement benefits for first responders who are permanently and totally unable to perform the duties of a firefighter or law enforcement officer due to injuries sustained in the line of duty regardless of their Tier and number of years of creditable service in the system; and to provide retroactive effect to January 1, 2023.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 36-27-16 of the Code of Alabama 1975, is amended to read as follows:

"§36-27-16

(a) (1) RETIREMENT, ETC., OF EMPLOYEES GENERALLY;  
ELIGIBILITY FOR SERVICE RETIREMENT BENEFITS.

a. Any Tier I plan member who withdraws from service upon or after attainment of age 60 and any Tier II plan member who withdraws from service upon or after attainment of age 62 may retire upon written application to the Board of Control setting forth at what time, not less than 30 days nor more than 90 days subsequent to the execution and filing thereof, he or she desires to be retired; provided, that any such member who became a member on or after October 1, 1963, shall have completed 10 or more years of creditable service; provided further, that a Tier I or Tier II plan member employed as a state policeman shall be eligible to file application for service retirement upon attaining age 52 and a Tier II plan member employed as a correctional officer, firefighter, or law enforcement officer as defined in Section 36-27-59 with at least 10 years of creditable service as a



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57 correctional officer, firefighter, or law enforcement officer  
58 shall be eligible to file application for service retirement  
59 upon attaining age 56.

60           b. Any Tier I plan member who has attained age 60, or  
61 age 52 in the case of a state policeman and any Tier II plan  
62 member who has attained age 62, or age 52 in the case of a  
63 state policeman, or age 56 in the case of a correctional  
64 officer, firefighter, or law enforcement officer as defined in  
65 Section 36-27-59 who has at least 10 years of creditable  
66 service as a correctional officer, firefighter, or law  
67 enforcement officer, and has previously withdrawn from service  
68 may retire upon written application to the Board of Control  
69 setting forth at what time, not less than 30 days nor more  
70 than 90 days subsequent to the execution and filing thereof,  
71 he or she desires to be retired; provided, the member shall  
72 have at the time of his or her withdrawal from service  
73 completed the age and service requirements established by the  
74 Board of Control for eligibility for deferred benefits;  
75 provided, that the minimum number of years of creditable  
76 service shall not be less than 10 years nor more than 25  
77 years.

78           c. In addition to any law or part of law relating to  
79 service retirement under the Employees' Retirement System of  
80 Alabama, any Tier I plan member of the Employees' Retirement  
81 System or Tier II plan member employed as a state policeman  
82 who withdraws from service after completion of not less than  
83 25 years of creditable service, or any Tier II plan member who  
84 withdraws from service after completion of not less than 30



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years of creditable service, may retire without a reduction in retirement allowance upon written application to the Board of Control of the Employees' Retirement System setting forth the first day of which month, not less than 30 days or more than 90 days subsequent to the execution and filing thereof, he or she desires to be retired, provided that no person whose employer participates in the Employees' Retirement System under Section 36-27-6 shall be entitled to the benefits provided in this paragraph for Tier I members unless the employer elects to come under the provisions of the paragraph. Any employer making this election must bear the cost of the benefit.

### (2) AMOUNT OF SERVICE RETIREMENT ALLOWANCE.

a. Upon retirement from service, a Tier I plan member shall receive a service retirement allowance which shall consist of:

1. An annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement; except, that in the case of a state policeman who has completed 20 years of creditable service as a state policeman who retires after age 56 but prior to age 60, the annuity shall be equal to the annuity that would have been payable upon service retirement at age 60 had the member continued in service to age 60 without change in compensation;

2. A pension which shall be equal to the annuity allowance at age of retirement, but not to exceed an annuity allowable at age 65, computed on the basis of contributions made prior to attainment of age 65; except, that in the case



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of a state policeman who has completed 20 years of creditable service as a state policeman who retires after age 56 but prior to age 60, the pension shall be equal to the annuity that he or she would have received had he or she contributed to age 60 without change in compensation; and

3. An additional pension, if he or she has a prior service certificate in full force and effect, which shall be equal to the annuity which would have been provided at the age of retirement, but which shall not exceed an annuity allowable at age 65 by twice the contributions which he or she would have made during the period of prior service with which he or she is credited had the system been in operation and had he or she contributed thereunder; except, that in case of a state policeman who has completed 20 years of creditable service as a state policeman who retired after age 56 but prior to age 60, an additional pension, if he or she has a prior service certificate in full force and effect, which shall be equal to the annuity which would have been provided at age 60, but which shall not exceed an annuity allowable at age 60 by twice the contributions which he or she would have made during the period of prior service with which he or she is credited had the system been in operation and had he or she contributed thereunder.

b. Notwithstanding the provisions of subparagraphs 1., 2., and 3. of paragraph a. of this subdivision, a state policeman who is a Tier I plan member and who has completed 20 years of service as a state policeman who retires after age 52 but prior to age 56 shall receive:



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1. An annuity which shall be equal to the annuity that would have been payable had the member continued in service for four years without change in compensation;

2. A pension which shall be equal to the annuity that he or she would have received had he or she contributed for four years without change in compensation; and

3. An additional pension, if he or she has a prior service certificate in full force and effect, which shall be equal to the annuity which would have been provided at the age of retirement, but which shall not exceed an annuity allowable at the age of retirement plus four years by twice the contributions which he or she would have made during the period of prior service with which he or she is credited had the system been in operation and had he or she contributed thereunder. In lieu of a determination of the actual compensation of a member that was received during that prior service, the Board of Control may use for the purpose of this article the compensation rate which, if it had progressed with the rates of salary increase shown in the tables as prescribed in subsection (n) of Section 36-27-23, would have resulted in the same average salary of the member for the five years immediately preceding the date of establishment as the records show the member actually received.

c. The annual service retirement pension payable to a Tier I plan member not employed as a state policeman retiring on or after October 1, 1975, shall not be less than an amount which, when added to his or her annuity, is equal to the greater of the following two amounts:



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1. Two and one-eightieth percent of the member's average final compensation multiplied by the number of years of his or her creditable service; or

2. If he or she became a member before October 1, 1965, seventy-two dollars (\$72) multiplied by the number of years of his or her creditable service not in excess of 25 years.

d. The annual service retirement pension payable to a Tier I plan member employed as a state policeman retiring on or after October 1, 1975, shall not be less than an amount which, when added to his or her annuity, is equal to the greater of the following two amounts:

1. Two and seven-eighths percent of the member's average final compensation multiplied by the number of years of his or her creditable service. Creditable service for any state policeman under the age of 56 years who has completed 20 years of creditable service as a state policeman shall include a bonus equal to four additional years. Creditable service for a state policeman 56 years or older shall include a bonus equal to the years or portion thereof remaining until the member reaches age 60; or

2. If he or she became a member before October 1, 1965, eighty-six dollars forty cents (\$86.40) multiplied by the number of years of his or her creditable service not in excess of 25 years; provided, however, that if the member has completed 20 years of creditable service as a state policeman and has not attained age 60 at the time of retirement, the pension shall be determined as provided in this subparagraph on the basis of the number of years of creditable service





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197 which he or she would have had if he or she had remained in  
198 service for four years, except that, in the case of those  
199 state policemen retiring at age 56 or after, the number of  
200 years in determining the pension shall not exceed the number  
201 of years of creditable service which he or she would have had  
202 if he or she had remained in service to age 60.

203 e. Upon retirement from service, a Tier II plan member  
204 who is not employed as a state policeman shall receive a  
205 service retirement allowance which shall consist of an annuity  
206 which shall be the actuarial equivalent of the member's  
207 accumulated contributions at the time of retirement and a  
208 pension which, when added to the member's annuity, shall be  
209 equal to one and sixty-five hundredths percent (1.65%) of the  
210 member's average final compensation multiplied by the number  
211 of years of creditable service. The service retirement  
212 allowance for a member who retires with 30 years of creditable  
213 service before reaching the age of 62 shall be reduced by two  
214 percent (2%) for each year of the difference between age 62  
215 and the age at retirement of the member. Notwithstanding the  
216 foregoing, the service retirement allowance shall not exceed  
217 eighty percent (80%) of the member's average final  
218 compensation.

219 f. Upon retirement from service, a Tier II plan member  
220 who is employed as a state policeman shall receive a service  
221 retirement allowance which shall consist of an annuity which  
222 shall be the actuarial equivalent of the member's accumulated  
223 contributions at the time of retirement and a pension which,  
224 when added to the member's annuity, shall be equal to two and



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three-eighths percent (2.375%) of the member's average final compensation multiplied by the member's number of years of creditable service. The service retirement allowance for a member who retires with 30 years of creditable service before reaching the age of 62 shall be reduced by two percent (2%) for each year of the difference between age 62 and the age at retirement of the member. Notwithstanding the foregoing, the service retirement allowance shall not exceed eighty percent (80%) of the member's average final compensation. Creditable service for any Tier II plan member who is employed as a state policeman shall include one year of hazardous duty time for every five years of service as a state policeman.

g. Anything in this article to the contrary notwithstanding, in the application of the foregoing provisions of this subdivision to a member whose creditable service includes a period of service as a state policeman and a period of service in another employment classification, the benefit rates applicable to a member employed as a state policeman shall apply to all creditable service as a state policeman, and the benefit rates applicable to a member not employed as a state policeman shall apply to all creditable service, but in all other respects the pension under this subdivision shall be determined on the basis of the member's employment classification at the time of his or her withdrawal from service.

h. The annual service retirement pension payable to any state employee who had attained age 60 on or before October 1, 1945, who declined membership in the Employees' Retirement



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System of Alabama in the manner prescribed in Section 36-27-4 and who retires as a state employee after completing a minimum of 15 years' service shall be seventy-two dollars (\$72) multiplied by the number of years of his or her service not in excess of 25 years.

(b) (1) RETIREMENT OF DISABLED EMPLOYEES; ELIGIBILITY FOR DISABILITY RETIREMENT BENEFITS.

a. Upon application of a Tier I plan member in service or of his or her employer, any member who has had 10 or more years of creditable service who becomes disabled may be retired on a disability retirement allowance by the Board of Control not less than 30 nor more than 90 days next following the date of filing of the application; provided, that the medical board, after a medical examination of the member, shall certify that the member is mentally or physically incapacitated for the further performance of duty, that the incapacity is likely to be permanent and that the member should be retired. Upon the application of a Tier II plan member in service or his or her employer, any member who has had 10 or more years of creditable service may be retired by the Board of Control on a disability retirement allowance not less than 30 nor more than 90 days next following the date of filing the application; provided, that the medical board, after a medical examination of the member, shall certify that the member is totally and permanently mentally or physically incapacitated from regular and substantial gainful employment, and that member should be retired.

b. ~~Without~~ Provided the agency employing the member at



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the time of the injury agrees to make appropriate payments into the system and a review is conducted by a system-designated medical board as provided in Section 36-27-23(1), and without regard to the number of years of creditable service or membership Tier, a member employed as a state policeman, a municipal police officer or a deputy sheriff, or a member employed as a state, municipal, or county firefighter ~~who is not covered through his or her current employer under the United States Social Security Act,~~ including system-affiliated fire districts, who as a result of his or her employment, in the line of duty and not as a result of his or her own misconduct, shall become permanently and totally ~~disabled~~ unable to perform the duties of a firefighter or law enforcement officer to the extent that he or she cannot perform his or her duties or duties of a less strenuous nature, as an employee of the State of Alabama or as an employee of an employer participating under the provisions of Section 36-27-6, shall ~~be retired~~ immediately be eligible for retirement on a disability retirement allowance, not less than 30 nor more than 90 days next following the date of filing of the application, provided that the medical board, after a medical examination of the member shall certify that the member is mentally or physically incapacitated for the further performance of duty as a firefighter or law enforcement officer, that the incapacity is likely to be permanent, and that the member should be retired.

### (2) AMOUNT OF DISABILITY RETIREMENT ALLOWANCE.

a. Upon retirement for disability a member shall



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receive a service retirement allowance based on age and service if he or she is a Tier I plan member and he or she has attained age 60 or if he or she is otherwise eligible to retire; otherwise, he or she shall receive a disability retirement allowance which shall consist of:

1. An annuity which shall be the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement;

2. A pension which shall be equal to the pension that would have been payable under subparagraphs (a)(2)a.2. and (a)(2)a.3. of this section upon service retirement at age 65 had the member continued in service to that age without change in compensation.

b. The annual disability retirement pension payable to a Tier I plan member not employed as a state policeman, municipal police officer, or deputy sheriff, or a member employed as a state, municipal, or county firefighter, retiring on or after October 1, 1975, shall not be less than an amount which when added to his or her annuity is equal to the greatest of the following two amounts:

1. Two and one-eightieth percent of the member's average final compensation multiplied by the number of years of creditable service.

2. If he or she became a member before October 1, 1965, fifty-four dollars (\$54) multiplied by the number of years of his or her creditable service not in excess of 25 years.

c. The annual disability retirement pension payable to a Tier I plan member employed as a state policeman, municipal



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police officer, or deputy sheriff, or a member employed as a state, municipal, or county firefighter, retiring on or after October 1, 1975, shall not be less than an amount which when added to his or her annuity is equal to the greater of the following two amounts:

1. Two and seven-eighths percent of the member's average final compensation multiplied by the number of years of his or her creditable service. Creditable service for any state policeman under the age of 56 years who has completed 20 years of creditable service as a state policeman shall include a bonus equal to four additional years. Creditable service for a state policeman 56 years or older shall include a bonus equal to the years or portion thereof remaining until the member reaches age 60; or

2. If he or she became a member before October 1, 1965, sixty-four dollars eighty cents (\$64.80) multiplied by the number of years of his or her creditable service not in excess of 25 years.

d. The annual disability retirement allowance payable to a Tier II plan member not employed as a state policeman, municipal police officer, or deputy sheriff, or a member employed as a state, municipal, or county firefighter, shall be equal to one and sixty-five hundredths percent (1.65%) of the member's average final compensation multiplied by the number of years of creditable service.

e. The annual disability retirement allowance payable to a Tier II plan member employed as a state policeman ~~shall be equal to two and three-eighths percent (2.375%) of the~~



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~~member's average final compensation multiplied by the number of years of creditable service.~~, municipal police officer, or a deputy sheriff, or a member employed as a state, municipal, or county firefighter, shall consist of the following:

1. An annuity that is the actuarial equivalent of his or her accumulated contributions at the time of his or her retirement.

2. A pension that is equal to the pension that would have been payable under subparagraphs (a) (2) a.2. and (a) (2) a.3. upon service retirement at age 65 had the member continued in service to that age without change in compensation.

f. Anything in this chapter to the contrary notwithstanding in the application of the provisions of this subdivision to a member whose creditable service includes a period of service as a state policeman, municipal police officer, or deputy sheriff, or a member employed as a state, municipal, or county firefighter, and a period of service in another employment classification the benefit rates applicable to a member employed as a state policeman shall apply to all creditable service as a state policeman, and the benefit rates applicable to a member not employed as a state policeman shall apply to all other creditable service, but in all other respects the pension under this subdivision shall be determined on the basis of the member's employment classification at the time of his or her withdrawal from service.

g. The provisions of this subsection, as amended by the



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act adding this paragraph which authorizes an annual disability retirement allowance to first responders, are retroactive to January 1, 2023. Any member who was not eligible to apply for, or who applied for and was denied, disability retirement benefits based on Tier and number of years of creditable service, may apply or reapply for disability retirement benefits commencing on July 1, 2026.

(3) a. REEXAMINATION OF BENEFICIARIES RETIRED ON ACCOUNT OF DISABILITY. Once each year during the first five years following the retirement of a member on a disability retirement allowance and once every three-year period thereafter, the Board of Control may, and upon his or her application shall, require any disability beneficiary who has not yet attained age 60 if the beneficiary is a Tier I plan member or age 62 if the beneficiary is a Tier II plan member to undergo a medical examination, the examination to be made at the place of residence of the beneficiary or other place mutually agreed upon by a physician or physicians of or designated by the medical board. Should any disability beneficiary who has not yet attained age 60 if the beneficiary is a Tier I plan member or age 62 if the beneficiary is a Tier II plan member refuse to submit to the medical examination, his or her allowance may be discontinued until his or her withdrawal of the refusal, and, should his or her refusal continue for one year, all his or her rights in and to his or her pension may be revoked by the Board of Control; provided, that these requirements relative to the medical examination shall not apply in the case of a state policeman retired for





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disability and who has attained age 52 or in the case of a correctional officer, firefighter, or law enforcement officer as defined in Section 36-27-59 with at least 10 years of creditable service as a correctional officer, firefighter, or law enforcement officer retired for disability who has attained age 56 if he or she is a Tier II plan member. Should the medical board report and certify to the Board of Control that a disability beneficiary who is a Tier I plan member is engaged in or is able to engage in a gainful occupation paying more than the difference between his or her retirement allowance and his or her average final compensation and should the Board of Control concur in the report, then the amount of his or her pension shall be reduced to an amount which, together with his or her annuity and the amount earnable by him or her, shall equal the amount of his or her average final compensation. Should his or her earning capacity be later changed, the amount of his or her pension may be further modified; provided, that the new pension shall not exceed the amount of the pension originally granted nor an amount which, when added to the amount earnable by the beneficiary, together with this annuity exceeds the amount of his or her average final compensation.

b. Should the medical board report and certify to the Board of Control that a disability beneficiary who is a Tier II plan member has the capacity to engage in regular and substantial gainful employment, the Board of Control shall discontinue the beneficiary's retirement allowance until the beneficiary is otherwise eligible for service retirement.



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(c) Disposition of contributions and allowances upon death, etc., of member.

(1) Should a member cease to be an employee except by death or by retirement under the provisions of this article, the contributions standing to the credit of his or her individual account in the Annuity Savings Fund shall be paid to him or her upon demand and, in addition to the payment, there shall be paid five-tenths of the interest accumulations standing to the credit of his or her individual account if he or she shall have not less than three but less than 16 years of membership service, six-tenths of the interest accumulations if he or she shall have not less than 16 but less than 21 years of membership service, seven-tenths of the interest accumulations if he or she shall have not less than 21 but less than 26 years of membership service and eight-tenths of the interest accumulations if he or she shall have not less than 26 years of membership service.

(2) In case of the death of a member eligible for service retirement pursuant to subsection (a), an allowance shall be paid to the surviving spouse, if designated as the sole beneficiary, in an amount that would have been payable if the member had retired immediately prior to his or her death and had elected Option 2, as set forth in subsection (d), or to such other person who the member shall have designated, in an amount that would have been payable if the member had retired immediately prior to his or her death and had elected Option 3, as set forth in subsection (d). Alternatively, if the surviving spouse or other designee desires, he or she may



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choose to receive, in lieu of the allowance provided under Option 2 or Option 3, the accumulated contributions of the member plus an amount equal to the accumulated contributions of the member not to exceed five thousand dollars (\$5,000) or the accumulated contributions of the member plus the benefit provided by Section 36-27B-3 if a benefit is payable under that section;

(3) In case of the death of a Tier I plan member not eligible for service retirement, after completion of 25 years of creditable service, an allowance shall be paid to the surviving spouse, if designated as the sole beneficiary, in an amount that would have been payable if the member had retired immediately prior to his or her death and had elected Option 2, as set forth in subsection (d), or to such other person who the member shall have designated, in an amount that would have been payable if the member had retired for disability immediately prior to his or her death and had elected Option 3 as set forth in subsection (d). Alternatively, if the surviving spouse or other designee desires, he or she may choose to receive, in lieu of the allowance provided under Option 2 or Option 3, the accumulated contributions of the member plus an amount equal to the accumulated contributions of the member not to exceed five thousand dollars (\$5,000) or the accumulated contributions of the member plus the benefit provided by Section 36-27B-3 if a benefit is payable under that section. For purposes of this subsection only, hazardous duty time, as set forth in subdivision (b)(1) of Section 36-27-59, may be used in calculating the requisite years of



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505 service for firefighters, law enforcement officers, and  
506 correctional officers even if the member has not otherwise  
507 attained 25 years of creditable service;

508 (4) Upon the death of a member on account of whom no  
509 survivor allowance is payable under subdivisions (2) or (3) of  
510 this subsection, the accumulated contributions of the member  
511 plus an amount equal to the accumulated contributions not to  
512 exceed five thousand dollars (\$5,000) or the accumulated  
513 contributions of the member plus the benefit provided by  
514 Section 36-27B-3 if a benefit is payable under that section  
515 shall be paid to his or her estate or to such person as he or  
516 she shall have nominated by written designation duly executed  
517 and filed with the Board of Control.

518 (d) Optional allowances. With the provision that the  
519 election of an option shall be effective on the effective date  
520 of retirement, any member may elect prior to retirement to  
521 receive, in lieu of his or her retirement allowance payable  
522 throughout life, the actuarial equivalent, at that time, of  
523 his or her retirement allowance in a reduced retirement  
524 allowance payable throughout life with the provisions that:

525 (1) OPTION 1. If he or she dies before he or she has  
526 received in annuity payments the present value of his or her  
527 annuity as it was at the time of his or her retirement, the  
528 balance shall be paid to his or her legal representatives or  
529 to the person as he or she shall nominate by written  
530 designation duly acknowledged and filed with the Board of  
531 Control;

532 (2) OPTION 2. Upon his or her death, his or her reduced



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retirement allowance shall be continued throughout the life of and paid to the person as he or she shall nominate by written designation duly acknowledged and filed with the Board of Control at the time of his or her retirement;

(3) OPTION 3. Upon his or her death, one half of his or her reduced allowance shall be continued throughout the life of and paid to the person as he or she shall nominate by written designation duly acknowledged and filed with the Board of Control at the time of his or her retirement.

(4) OPTION 4. Some other benefit or benefits shall be paid either to the member or to the person or persons as he or she shall nominate; provided, that those other benefits, together with the reduced retirement allowance, shall be certified by the actuary to be of equivalent actuarial value to his or her retirement allowance and shall be approved by the Board of Control; or

(5) OPTION 5. At the time of retirement, he or she shall receive a partial lump sum distribution as a single payment not to exceed the sum of 24 months of the maximum monthly retirement allowance the member could receive. This option may be elected in addition to the election of another option under this subsection and the further reduced monthly retirement allowance shall be calculated in accordance with the selected option. This option shall not be available to a member who is receiving a disability retirement.

(e) Effect of return to active service. Should any beneficiary be restored to active service, his or her retirement allowance shall be suspended until he or she again



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withdraws from service and he or she shall not again become a member of the retirement system nor shall he or she make contributions; except, that should the beneficiary who has been restored to active service continue in service for a period of two or more years from the date of his or her reentry into active service, he or she may request the Board of Control to allow him or her to again become a member of the retirement system. The Board of Control may grant the request for restoration to membership; provided, that the beneficiary whose retirement allowance has been suspended shall repay to the system all monies received by him or her as benefits during any periods subsequent to the date of his or her reentry into active service and shall make a contribution equal to the amount he or she would have contributed had he or she been a member during the period of his or her restoration to active service on a suspended allowance basis together with the interest that would have been credited to the contributions on account of the period of restoration up to the date the contribution is made.

### (f) (1) REDETERMINATION, ETC., OF CERTAIN ALLOWANCES.

All retirement allowance payments due on or after October 1, 1975, to members who retired prior to that date shall be redetermined as if the provisions of this section in effect on October 1, 1975, were in effect at the time the member retired. Anything in this article to the contrary notwithstanding, the annual retirement allowance of any member not employed as a state policeman who retired on or before January 1, 1956, shall not be less than seventy-nine dollars



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twenty cents (\$79.20) multiplied by the number of years of his or her creditable service not in excess of 30 years in the case of service retirement of fifty-nine dollars forty cents (\$59.40) multiplied by the number of years of his or her creditable service not in excess of 30 years in the case of disability retirement. Any increase provided in the retirement allowance payment under this subdivision for a member who retired under the provisions of any optional benefit elected pursuant to subsection (d) shall accrue only to the retired member, and no person designated to receive any payments after the death of a retired member under the provisions of any optional benefit shall receive any increase in payments under this subdivision. Notwithstanding, any member who retired prior to October 1, 1975, and who chose either Option 2 or Option 3 may elect to receive a reduced allowance and to stipulate that the actuarial equivalent of the increase in his or her retirement allowance, which became effective on that date, be ascribed to his or her designated beneficiary; provided, that the member shall clearly express this intention by filing a written application to the effect with the Secretary-Treasurer of the Employees' Retirement System of Alabama prior to October 1, 1976.

(2) Any person who, prior to October 1, 1963, was in receipt of a benefit pursuant to Act No. 376, approved November 6, 1959, but was not a member of the system at the time of retirement shall not be entitled to receive an annual retirement allowance from the system, effective October 1, 1971, as follows:



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a. If the person was retired on or before January 1, 1956, an amount equal to seventy-nine dollars twenty cents (\$79.20) multiplied by the number of years of his or her creditable service not in excess of 30 years.

b. If the person was retired after January 1, 1956, an amount equal to seventy-two dollars (\$72) multiplied by the number of years of his or her creditable service not in excess of 25 years.

(3) Prior to October 31, 1975, any beneficiary may elect to leave on deposit with the system all or a specified part of any increase in his or her monthly retirement allowance payments arising in accordance with subdivisions (1) or (2) of this subsection over the monthly allowance which he or she was receiving prior to October 1, 1975. The portion of each monthly payment left in the system in accordance with the election shall be credited, together with regular interest thereon, to the individual account of the beneficiary. Upon the death of the beneficiary the total amount standing to his or her credit, including regular interest to the date of death, shall be paid in a lump sum to his or her legal representatives or to such person as he or she shall have nominated by written designation duly acknowledged and filed with the Board of Control.

(g) Notwithstanding any other provisions of this section to the contrary, when a designated beneficiary for a member predeceases the member who is receiving a monthly benefit allowance provided under Option 2, 3, or 4, the member may designate a replacement beneficiary for the deceased





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beneficiary to become effective two years after the date of designation of the replacement beneficiary and an actuarial adjustment in the monthly benefit allowance of the member to cover any cost associated with designating a replacement beneficiary shall be reflected thereafter in the monthly benefit allowance received by the member, commencing with the first benefit allowance check received by the member following the date of designation of the replacement beneficiary.

(h) Notwithstanding any provision of this section to the contrary, if a retired member who is receiving a monthly benefit allowance provided under Option 2, 3, or 4 divorces his or her designated beneficiary, the member may designate a replacement beneficiary for the beneficiary to become effective two years after the date of designation of the replacement beneficiary and an actuarial adjustment in the monthly benefit allowance of the member to cover any cost associated with designating a replacement beneficiary shall be reflected thereafter in the monthly benefit allowance received by the member, commencing with the first benefit allowance check received by the member following the date of designation of the replacement beneficiary.

(i) Any future act to increase the retirement age for Tier II plan members above the age of 62 shall require a two-thirds vote of the elected membership of each house of the Legislature."

Section 2. This act shall become effective on July 1, 2026.