

HB186 INTRODUCED



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



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4 SYNOPSIS:

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

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

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

22
23

24 A BILL

25 TO BE ENTITLED
26 AN ACT

27
28 Relating to the Retirement Systems of Alabama; to amend

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

36 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

37 Section 1. Section 36-27-16 of the Code of Alabama
38 1975, is amended to read as follows:

39 "§36-27-16

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

42 a. Any Tier I plan member who withdraws from service
43 upon or after attainment of age 60 and any Tier II plan member
44 who withdraws from service upon or after attainment of age 62
45 may retire upon written application to the Board of Control
46 setting forth at what time, not less than 30 days nor more
47 than 90 days subsequent to the execution and filing thereof,
48 he or she desires to be retired; provided, that any such
49 member who became a member on or after October 1, 1963, shall
50 have completed 10 or more years of creditable service;
51 provided further, that a Tier I or Tier II plan member
52 employed as a state policeman shall be eligible to file
53 application for service retirement upon attaining age 52 and a
54 Tier II plan member employed as a correctional officer,
55 firefighter, or law enforcement officer as defined in Section
56 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



85 years of creditable service, may retire without a reduction in
86 retirement allowance upon written application to the Board of
87 Control of the Employees' Retirement System setting forth the
88 first day of which month, not less than 30 days or more than
89 90 days subsequent to the execution and filing thereof, he or
90 she desires to be retired, provided that no person whose
91 employer participates in the Employees' Retirement System
92 under Section 36-27-6 shall be entitled to the benefits
93 provided in this paragraph for Tier I members unless the
94 employer elects to come under the provisions of the paragraph.
95 Any employer making this election must bear the cost of the
96 benefit.

97 (2) AMOUNT OF SERVICE RETIREMENT ALLOWANCE.

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

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

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



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

118 3. An additional pension, if he or she has a prior
119 service certificate in full force and effect, which shall be
120 equal to the annuity which would have been provided at the age
121 of retirement, but which shall not exceed an annuity allowable
122 at age 65 by twice the contributions which he or she would
123 have made during the period of prior service with which he or
124 she is credited had the system been in operation and had he or
125 she contributed thereunder; except, that in case of a state
126 policeman who has completed 20 years of creditable service as
127 a state policeman who retired after age 56 but prior to age
128 60, an additional pension, if he or she has a prior service
129 certificate in full force and effect, which shall be equal to
130 the annuity which would have been provided at age 60, but
131 which shall not exceed an annuity allowable at age 60 by twice
132 the contributions which he or she would have made during the
133 period of prior service with which he or she is credited had
134 the system been in operation and had he or she contributed
135 thereunder.

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



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

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

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

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



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

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

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

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

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



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



225 three-eighths percent (2.375%) of the member's average final
226 compensation multiplied by the member's number of years of
227 creditable service. The service retirement allowance for a
228 member who retires with 30 years of creditable service before
229 reaching the age of 62 shall be reduced by two percent (2%)
230 for each year of the difference between age 62 and the age at
231 retirement of the member. Notwithstanding the foregoing, the
232 service retirement allowance shall not exceed eighty percent
233 (80%) of the member's average final compensation. Creditable
234 service for any Tier II plan member who is employed as a state
235 policeman shall include one year of hazardous duty time for
236 every five years of service as a state policeman.

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

250 h. The annual service retirement pension payable to any
251 state employee who had attained age 60 on or before October 1,
252 1945, who declined membership in the Employees' Retirement



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

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

260 a. Upon application of a Tier I plan member in service
261 or of his or her employer, any member who has had 10 or more
262 years of creditable service who becomes disabled may be
263 retired on a disability retirement allowance by the Board of
264 Control not less than 30 nor more than 90 days next following
265 the date of filing of the application; provided, that the
266 medical board, after a medical examination of the member,
267 shall certify that the member is mentally or physically
268 incapacitated for the further performance of duty, that the
269 incapacity is likely to be permanent and that the member
270 should be retired. Upon the application of a Tier II plan
271 member in service or his or her employer, any member who has
272 had 10 or more years of creditable service may be retired by
273 the Board of Control on a disability retirement allowance not
274 less than 30 nor more than 90 days next following the date of
275 filing the application; provided, that the medical board,
276 after a medical examination of the member, shall certify that
277 the member is totally and permanently mentally or physically
278 incapacitated from regular and substantial gainful employment,
279 and that member should be retired.

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



281 the time of the injury agrees to make appropriate payments
282 into the system and a review is conducted by a
283 system-designated medical board as provided in Section
284 36-27-23(1), and without regard to the number of years of
285 creditable service or membership Tier, a member employed as a
286 state policeman, a municipal police officer or a deputy
287 sheriff, or a member employed as a state, municipal, or county
288 firefighter ~~who is not covered through his or her current~~
289 ~~employer under the United States Social Security Act,~~
290 including system-affiliated fire districts, who as a result of
291 his or her employment, in the line of duty and not as a result
292 of his or her own misconduct, shall become permanently and
293 totally ~~disabled~~ unable to perform the duties of a firefighter
294 or law enforcement officer to the extent that he or she cannot
295 perform his or her duties or duties of a less strenuous
296 nature, as an employee of the State of Alabama or as an
297 employee of an employer participating under the provisions of
298 Section 36-27-6, shall ~~be retired~~ immediately be eligible for
299 retirement on a disability retirement allowance, not less than
300 30 nor more than 90 days next following the date of filing of
301 the application, provided that the medical board, after a
302 medical examination of the member shall certify that the
303 member is mentally or physically incapacitated for the further
304 performance of duty as a firefighter or law enforcement
305 officer, that the incapacity is likely to be permanent, and
306 that the member should be retired.

307 (2) AMOUNT OF DISABILITY RETIREMENT ALLOWANCE.

308 a. Upon retirement for disability a member shall



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

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

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

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

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

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

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



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

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

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

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

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



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

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

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

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

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



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

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

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

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



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

451 (1) Should a member cease to be an employee except by
452 death or by retirement under the provisions of this article,
453 the contributions standing to the credit of his or her
454 individual account in the Annuity Savings Fund shall be paid
455 to him or her upon demand and, in addition to the payment,
456 there shall be paid five-tenths of the interest accumulations
457 standing to the credit of his or her individual account if he
458 or she shall have not less than three but less than 16 years
459 of membership service, six-tenths of the interest
460 accumulations if he or she shall have not less than 16 but
461 less than 21 years of membership service, seven-tenths of the
462 interest accumulations if he or she shall have not less than
463 21 but less than 26 years of membership service and
464 eight-tenths of the interest accumulations if he or she shall
465 have not less than 26 years of membership service.

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



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

484 (3) In case of the death of a Tier I plan member not
485 eligible for service retirement, after completion of 25 years
486 of creditable service, an allowance shall be paid to the
487 surviving spouse, if designated as the sole beneficiary, in an
488 amount that would have been payable if the member had retired
489 immediately prior to his or her death and had elected Option
490 2, as set forth in subsection (d), or to such other person who
491 the member shall have designated, in an amount that would have
492 been payable if the member had retired for disability
493 immediately prior to his or her death and had elected Option 3
494 as set forth in subsection (d). Alternatively, if the
495 surviving spouse or other designee desires, he or she may
496 choose to receive, in lieu of the allowance provided under
497 Option 2 or Option 3, the accumulated contributions of the
498 member plus an amount equal to the accumulated contributions
499 of the member not to exceed five thousand dollars (\$5,000) or
500 the accumulated contributions of the member plus the benefit
501 provided by Section 36-27B-3 if a benefit is payable under
502 that section. For purposes of this subsection only, hazardous
503 duty time, as set forth in subdivision (b)(1) of Section
504 36-27-59, may be used in calculating the requisite years of



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



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

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

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

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

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



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

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

581 All retirement allowance payments due on or after October 1,
582 1975, to members who retired prior to that date shall be
583 redetermined as if the provisions of this section in effect on
584 October 1, 1975, were in effect at the time the member
585 retired. Anything in this article to the contrary
586 notwithstanding, the annual retirement allowance of any member
587 not employed as a state policeman who retired on or before
588 January 1, 1956, shall not be less than seventy-nine dollars

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589 twenty cents (\$79.20) multiplied by the number of years of his
590 or her creditable service not in excess of 30 years in the
591 case of service retirement of fifty-nine dollars forty cents
592 (\$59.40) multiplied by the number of years of his or her
593 creditable service not in excess of 30 years in the case of
594 disability retirement. Any increase provided in the retirement
595 allowance payment under this subdivision for a member who
596 retired under the provisions of any optional benefit elected
597 pursuant to subsection (d) shall accrue only to the retired
598 member, and no person designated to receive any payments after
599 the death of a retired member under the provisions of any
600 optional benefit shall receive any increase in payments under
601 this subdivision. Notwithstanding, any member who retired
602 prior to October 1, 1975, and who chose either Option 2 or
603 Option 3 may elect to receive a reduced allowance and to
604 stipulate that the actuarial equivalent of the increase in his
605 or her retirement allowance, which became effective on that
606 date, be ascribed to his or her designated beneficiary;
607 provided, that the member shall clearly express this intention
608 by filing a written application to the effect with the
609 Secretary-Treasurer of the Employees' Retirement System of
610 Alabama prior to October 1, 1976.

611 (2) Any person who, prior to October 1, 1963, was in
612 receipt of a benefit pursuant to Act No. 376, approved
613 November 6, 1959, but was not a member of the system at the
614 time of retirement shall not be entitled to receive an annual
615 retirement allowance from the system, effective October 1,
616 1971, as follows:



617 a. If the person was retired on or before January 1,
618 1956, an amount equal to seventy-nine dollars twenty cents
619 (\$79.20) multiplied by the number of years of his or her
620 creditable service not in excess of 30 years.

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

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

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



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

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

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

670 Section 2. This act shall become effective on July 1,
671 2026.