

**SB339 INTRODUCED**



1 SB339  
2 NK6VT8T-1  
3 By Senators Carnley, Orr  
4 RFD: Finance and Taxation Education  
5 First Read: 23-Apr-24



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SYNOPSIS:

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

A BILL  
TO BE ENTITLED  
AN ACT

Relating to the Retirement Systems of Alabama; to provide a benefit increase for certain retirees and beneficiaries of the Employees' Retirement System and the Teachers' Retirement System to become effective on October 1, 2024.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) Commencing October 1, 2024, each individual, except any individual whose employer participated in the Employees' Retirement System pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama 1975, whose effective date of retirement for purposes of receiving benefits from the Employees' Retirement System is prior to October 1, 2015, who is receiving or is entitled to receive a monthly allowance from the Employees' Retirement System, who



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29 has 25 years or more of service, and who receives an annual  
30 benefit amount of twenty-five thousand dollars (\$25,000) or  
31 less, shall receive a cost-of-living increase of two percent  
32 in his or her gross monthly benefit.

33 (b) Beneficiaries of deceased members or deceased  
34 retirees, except where the deceased member or deceased retiree  
35 retired from an employer participating in the Employees'  
36 Retirement System pursuant to Sections 36-27-6, 36-27-7, and  
37 36-27-7.1, Code of Alabama 1975, if the date of death for the  
38 deceased member was prior to October 1, 2024, the effective  
39 date of retirement for the deceased retiree for purposes of  
40 receiving benefits from the Employees' Retirement System was  
41 prior to October 1, 2015, the deceased retiree had 25 years or  
42 more of service, and the deceased retiree received an annual  
43 benefit amount of twenty-five thousand dollars (\$25,000) or  
44 less, shall receive the cost-of-living increase in the amount  
45 attained by the retiree.

46 (c) Any future survivor allowance shall be adjusted as  
47 provided in the member's original option selection for those  
48 eligible retirees who have selected a monthly survivor  
49 allowance payable to a designated beneficiary upon the death  
50 of the retiree, or as otherwise provided by law in the case of  
51 a qualifying member who dies prior to October 1, 2024.

52 (d) The Board of Control of the Employees' Retirement  
53 System shall determine the amount required to pay the total  
54 cost of actuarial liability of the increased allowance  
55 provided this section as a per centum rate of earnable  
56 compensation of the member and shall notify the chief fiscal



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57 officer of each employer of that cost. In the fiscal year  
58 beginning October 1, 2025, only, employers shall pay the full  
59 cost as an increase in the employer rate in the same manner  
60 and from the same source of funds as provided in Section  
61 36-27-24, Code of Alabama 1975.

62 Section 2. (a) Commencing October 1, 2024, each  
63 individual, whose effective date of retirement for purposes of  
64 receiving benefits from the Teachers' Retirement System is  
65 prior to October 1, 2015, who is receiving or is entitled to  
66 receive a monthly allowance from the Teachers' Retirement  
67 System, who has 25 years or more of service, and who receives  
68 an annual benefit amount of twenty-five thousand dollars  
69 (\$25,000) or less, shall receive a cost-of-living increase of  
70 two percent in his or her gross monthly benefit.

71 (b) Beneficiaries of deceased members or deceased  
72 retirees, if the date of death for the deceased member was  
73 prior to October 1, 2024, the effective date of retirement for  
74 the deceased retiree for purposes of receiving benefits from  
75 the Teachers' Retirement System was prior to October 1, 2015,  
76 the deceased retiree had 25 years or more of service, and the  
77 deceased retiree received an annual benefit amount of  
78 twenty-five thousand dollars (\$25,000) or less, shall receive  
79 the cost-of-living increase in the amount attained by the  
80 retiree.

81 (c) Any future survivor allowance shall be adjusted as  
82 provided in the member's original option selection for those  
83 eligible retirees who have selected a monthly survivor  
84 allowance payable to a designated beneficiary upon the death



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85 of the retiree, or as otherwise provided by law in the case of  
86 a qualifying member who dies prior to October 1, 2024.

87 (d) The Board of Control of the Teachers' Retirement  
88 System shall determine the amount required to pay the total  
89 cost of actuarial liability of the increased allowance  
90 provided under this section as a per centum rate of earnable  
91 compensation of the member and shall notify the chief fiscal  
92 officer of each employer of that cost. In the fiscal year  
93 beginning October 1, 2025, only, employers shall pay the full  
94 cost as an increase in the employer rate in the same manner  
95 and from the same source of funds as provided in Section  
96 16-25-21, Code of Alabama 1975.

97 Section 3. This act shall become effective on October  
98 1, 2024.