

1 HB122
2 103747-1
3 By Representative Graham
4 RFD: Education Policy
5 First Read: 03-FEB-09
6 PFD: 01/14/2009

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8 SYNOPSIS: Under existing law, an active, vested, and
9 contributing member of the Teachers' Retirement
10 System (TRS) is not allowed to purchase credit in
11 the system for service rendered to an educational
12 institution that receives direct appropriations
13 from the Education Trust Fund but does not
14 participate in the TRS.

15 This bill would reopen TRS for one year to
16 allow an active, vested, and contributing member to
17 purchase up to five years of credit in the system
18 for certain prior service rendered to an
19 educational institution that receives direct
20 appropriations from the Education Trust Fund but
21 does not participate in the TRS.

22
23 A BILL
24 TO BE ENTITLED
25 AN ACT
26

1 Relating to the Teachers' Retirement System, to
2 permit purchase of credit in the system for certain prior
3 service rendered to an educational institution of higher
4 education that receives direct appropriations from the
5 Education Trust Fund but does not participate in the TRS.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. (a) Any active, vested, and contributing
8 member of the Teachers' Retirement System who has been
9 employed in public education for a minimum of 10 years may
10 claim and purchase service credit in the system not to exceed
11 five years for prior service between 1974 and 1989 rendered to
12 an educational institution of higher education that receives
13 direct appropriations from the Education Trust Fund but does
14 not participate in the TRS. The certification of prior service
15 claimed under this section shall conform to applicable
16 administrative rules and procedures of the Teachers'
17 Retirement System. Members shall receive credit for the prior
18 service when they remit to the system the contributions
19 required by subsection (b). No member shall receive credit for
20 any service for which the member is already credited within
21 the system or any public retirement plan, with the exception
22 of the federal Social Security program.

23 (b) Any member who is eligible to purchase service
24 credit pursuant to subsection (a) shall pay to the
25 Secretary-Treasurer of the system, within one year from the
26 effective date of this act, for the claimed service, the full

1 actuarially determined cost for each year of claimed service
2 as determined by the system's actuary.

3 Section 2. Any year of service purchased under the
4 provisions of this act shall not be considered in determining
5 the out-of-pocket premium amount charged to retirees under the
6 provisions of Section 16-25A-8.1 or Section 36-29-19.7, Code
7 of Alabama 1975. Also, any service purchased under this act
8 shall not entitle a member to be eligible for benefits under
9 either the Public Education Employees' Health Insurance Plan
10 or the State Employees' Health Insurance Plan any earlier than
11 the member could have reached eligibility under the plan
12 without the service purchased under the provisions of this
13 act.

14 Section 3. This act shall become effective on
15 October 1, 2008, following its passage and approval by the
16 Governor, or its otherwise becoming law.