



THE  
RETIREMENT SYSTEMS  
OF  
ALABAMA

# Employees' Retirement System of Alabama



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*Board of Control Election Manual*

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# Composition of the ERS Board of Control

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**The ERS Board of Control consists of 13 members:**

- Ex Officio:
  - Governor
  - State Treasurer
  - State Director of Finance
  - State Personnel Director
- Three vested members of the Employees' Retirement System appointed by the Governor:
  - No two members may be from the same department of state government and no member may be from any department of which an ex officio trustee is head
  - Shall be merit system employees with at least ten years experience and shall not be a department head or assistant department head
- Six members of the Employees' Retirement System elected by its membership:
  - One Retired State Position
  - One Retired Local Position
  - Two Active State Positions
  - Two Active Local Positions

## **Terms of Office**

- The ex officio members serve as long as they hold that office.
- Retired Positions serve three-year terms.
- Active Positions serve four-year terms.

## **Vacancies**

If a vacancy occurs in an **active position**, it will be filled in the same manner as the office was previously filled. If a vacancy occurs in any **retired position**, the unexpired term will be filled through appointment by a simple majority vote of the ERS Board of Control from a list of three names provided by the Alabama Retired State Employees' Association Board of Directors.

## **Compensation**

Members serve without compensation for their services, but will be reimbursed from the expense fund for all necessary expenses that they may incur through service on the ERS Board of Control.

## **Oath**

Members will take an oath of office within 10 days after their appointment.

## **Voting**

- Each member is entitled to one vote.
- Seven votes in favor of any decision is necessary for a decision by the members at any meeting (defined here as "majority vote").

## **Chairperson**

The Governor will serve as chairperson of the ERS Board of Control.

## **Duties of the ERS Board of Control**

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The members of the ERS Board of Control are the trustees of the retirement funds and are responsible for the management and administration of the retirement system.

The ERS Board of Control has full power to invest and reinvest such funds, through the Secretary-Treasurer, in such classes of bonds, mortgages, common and preferred stocks, shares of investment companies or mutual funds, or other investments the Board may approve, with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

The members of the ERS Board of Control elect by a majority vote a Secretary-Treasurer, who will serve as chief executive officer of the retirement system.

The ERS Board of Control designates a medical board to be composed of three physicians not eligible to participate in the retirement system. The medical board investigates all applications for disability retirement and reports to the ERS Board of Control its conclusions and recommendations.

The ERS Board of Control hires an actuary, an investment advisor, and others as required to conduct business of the retirement system.

The ERS Board of Control appoints an investment committee of three members of the Board, one of whom is the Director of Finance. The investment committee approves investments made by the Secretary-Treasurer. The investment committee acts through the affirmative vote of any two members by written authorization attached to the invoice of the transaction.

The ERS Board of Control establishes procedures for the elections to fill the elected positions on the ERS Board of Control.

The ERS Board of Control approves participation of cities, counties and other local governmental employers in the retirement system.

# Election Procedures

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## 1. Governance Process

### 1.1. Election Committee Charter

- 1.1.1. The Chairperson of the Employees' Retirement System (ERS) Board of Control will appoint three-members from the Board of Control to serve on the Election Committee to oversee the election process.
- 1.1.2. Members of the Board of Control seeking election for a current position on the Board of Control will not be eligible for membership on the Election Committee.

### 1.2. Election Committee Responsibilities

- 1.2.1. The Election Committee will certify a nominee's eligibility for a place on the official ballot.
- 1.2.2. The Election Committee will disqualify ballots that fail to clearly indicate the eligible voter's candidate selection, are received after the return date established by the Election Committee, are cast by ineligible voters, or for any other legal reason.
- 1.2.3. The Election Committee will certify the results of each election.
- 1.2.4. After the results of the election have been certified, a member of the Election Committee or designee will telephone each candidate with the results.
- 1.2.5. The Election Committee will ensure that the election results are provided for announcement in the *Advisor*.

## 2. Nominations for Elected Positions

- 2.1. Notice of positions to be filled during the Regular Election will be published in the *March Advisor*.
- 2.2. Nomination for all positions on the ERS Board of Control will be by submission of a Letter of Intent and Certificate of Assurance. Only documents with original signatures are accepted.
- 2.3. Nomination for the Active Local Positions on the ERS Board of Control must also be by written nomination petition. The nomination petition requires 50 signatures of active local employees of a local agency (city, county, town, public or quasi-public agency) that participates in the ERS pursuant to §36-27-6, *Code of Alabama, 1975*. Active Local Position nomination petitions will require the legible printing of each member's name, mailing address, and employing agency as it appears on official ERS records. Active Local candidates are encouraged to file their petitions early. This will allow prompt processing of the petitions before the

deadline. Candidates are also encouraged to solicit more than the required minimum number of signatures in order to ensure that the minimum number of valid signatures will be met.

2.4.

2.5. Nomination documents will be available on the RSA's website or from the Election Coordinator.

2.6. Nomination documents for the vacant positions must be received by the Election Coordinator no later than 4:00 pm, April 15.

### **3. *Eligibility Determination of Elected Positions***

#### **3.1. Active State Position**

A person who petitions to run for an Active State Position must be an active vested member of the ERS by virtue of employment with a state agency.

#### **3.2. Active Local Position**

A person who petitions to run for an Active Local Position must be an active member of the ERS by virtue of employment with a local agency (city, county, town, public or quasi-public agency) that participates in the ERS pursuant to §36-27-6, *Code of Alabama, 1975*.

#### **3.3. Retired State Position**

A person who petitions to run for the Retired State Position must be a retired state employee and currently on the ERS retirement payroll.

#### **3.4. Retired Local Position**

A person who petitions to run for the Retired Local Position must be a retired employee of a local agency (city, county, town, public or quasi-public agency) that participates in the ERS pursuant to §36-27-6, *Code of Alabama, 1975*, and currently on the ERS retirement payroll.

3.5. If a change in the candidate's position has occurred after qualification, the candidate is no longer eligible to run for election.

### **4. *Validation of Candidacy for Elected Positions***

4.1. Each candidate must submit a Letter of Intent and Certificate of Assurance provided by the election committee. A Notary Public signature is required on both documents.

4.2. Active Local Position petitions require 50 signatures of active local employees of a local agency (city, county, town, public or quasi-public agency) that participates in the ERS pursuant to §36-27-6, *Code of Alabama, 1975* and will require the legible printing of each member's name, mailing address, and employing agency as it appears on official

ERS records. Each name, mailing address, and employing agency on the petition is compared to ERS records to determine validity of membership. Members must personally sign and print their name on the petitions. If a name, mailing address, and employing agency does not appear in ERS records or if the account is inactive, the name will be declared invalid and will not be counted toward the signature requirement. If an entry on the petition is not legible, it will not be used.

4.2.1.

- 4.3. Once the validation process is completed, each candidate will be notified of his or her validation status.
- 4.4. It is the responsibility of the designee of the Election Committee to certify that a nominee is eligible for a place on the official ballot.

## **5. *Biographical Information and Photos***

- 5.1. A biographical information form should be completed by each potential candidate and submitted along with the Letter of Intent and Certificate of Assurance. Biographical information will be used for publication on the RSA's website and election ballot.
  - 5.1.1. Biographical sketch information that includes qualifications will be included with the election ballot. This sketch should include basic information such as education, work experience, and awards. The sketch is limited to 200 words and is published at the discretion of the Election Committee. Please do not include campaign statements. This is reserved for the candidate statement.
  - 5.1.2. A candidate statement will be published on the RSA's website. The statement should be a short explanation of your platform or qualifications. The candidate statement is limited to 200 words and is published at the discretion of the Election Committee.
- 5.2. A photo may be submitted for publication on the RSA's website.
- 5.3. Where possible, it is preferred to have the biographical information and photo sent in electronic format.

## 6. Voting

### 6.1. Ballots

#### 6.1.1. Order of candidates

The order of candidates on the ballot will be by a random drawing conducted by the designee of the Election Committee after April 15. Candidates or their representatives may be present to witness the drawing.

#### 6.1.2. Mailing of ballots

Scannable ballots and information on how to vote by phone or internet will be mailed no later than May 15 or the first business day following.

#### 6.1.3. Receipt of ballots

Voted ballots or phone and internet responses must be received by VR Election Services before 4:00 p.m. on June 15 or the first business day following.

#### 6.1.4. Disqualifying ballots

The Election Committee will disqualify ballots which:

- fail to clearly indicate the eligible voter's candidate selection,
- are received after the return date established by the Election Committee,
- are cast by ineligible voters,
- or for any other legal reason.

#### 6.1.5. Counting of ballots

All ballots, phone, and internet responses will be counted by a third-party vendor and the results tabulated.

#### 6.1.6. Certification of ballots

6.1.6.1. The ballots will be canvassed and the results presented to the Election Committee for certification on June 20 or the first business day following.

6.1.6.2. Immediately after the results of the election have been certified, a member of the Election Committee or its designee will contact each candidate with the results.

6.1.6.3. Each candidate will receive a report of the vote count.

### *6.1.7. Storage and Destruction of Ballots*

Pending any official challenge, ballots will be retained for 60 days following the certification and then destroyed.

## **7. Runoff Election**

- 7.1. A runoff election will be held in the event no candidate receives a majority of the votes cast. The two candidates with the most votes will be placed on the ballot for the runoff election.
- 7.2. The order of the candidates on the ballot will remain the same.
- 7.3. Runoff ballots will be mailed August 1 or the first business day following.
- 7.4. Runoff ballots must be received by a third-party vendor before 4:00 p.m. on September 1 or the first business day following.
- 7.5. The ballots will be canvassed and the results presented to the Election Committee for certification by September 8 or the first business day following.

## **8. Oath of Office**

- 8.1. Within 10 days after certification of the election, each new Board Member will sign an Oath of Office. The Elections Coordinator will ensure the Oath is immediately filed with the Secretary of State's Office.

## **9. Definitions**

### ***Member***

Person currently contributing to the ERS as an active or formerly an active of the ERS and is on the ERS retirement payroll.

### ***Active Local Member***

Person currently contributing to the ERS by virtue of employment with a local agency (city, county, town, public or quasi-public agency) that participates in the ERS pursuant to §36-27-6, *Code of Alabama, 1975*.

### ***Active State Member***

Person currently contributing to the ERS by virtue of employment with a state agency.

### ***Retired Member***

Person who is a former active member of ERS and on the ERS retirement payroll.

### ***Voter***

Active or retired member of the ERS who may vote for a position based on the member's present status.

### ***Petitioner***

Active or retired member of the ERS who petitions to run for the ERS Board of Control for a particular position for which he or she qualifies.

***Term of Office***

The term of office begins on October 1 and is for a period of four years for active positions and three years for retired positions, except in the case of an election for an unexpired term which will be for the remainder of the term.

***Challenge***

Any challenge to the election must be filed in writing with the Chairperson of the ERS Board of Control within 15 days after the certification of the results by the Election Committee. Any challenge will be treated as any other appeal to the Board of Control.

***Certification of Election***

At the appropriate time, the Elections Coordinator will certify to the Election Committee the results of the election.

***Nominations***

Candidates for elected positions on the Board of Control may nominate themselves by submitting a Letter of Intent and Certificate of Assurance. A candidate for an Active Local Position must also be nominated by a written petition signed by active local members of the ERS. Active Local Position petitions require 50 signatures of other Active Local employees.

***10. Election Timeline***

March:	Announcement in <i>Advisor</i>
April:	Letter of Intent/Certificate of Assurance and petitions for nomination due by the 15 <sup>th</sup> Drawing for the order of names on the ballot
May:	Ballots mailed by the 15 <sup>th</sup>
June:	Ballots due by the 15 <sup>th</sup> Votes certified by end of week
August:	Runoff ballots mailed by the 1 <sup>st</sup>
September:	Runoff ballots due by the 1 <sup>st</sup> Votes certified by the 8 <sup>th</sup>

## Applicable Law

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### §36-27-23. ERS Board of Control; Medical Board, Actuary

(a) The general administration and responsibility for the proper operation of the retirement system and for making effective the provisions of this article are hereby vested in a board of trustees which shall be known as the ERS Board of Control.

(b) The Board shall consist of 13 trustees as follows:

- (1) The Governor, ex officio, who shall be chairman.
- (2) The State Treasurer, ex officio.
- (3) The State Personnel Director, ex officio.
- (4) The Director of Finance, ex officio.
- (5) Three members of the retirement system, to be appointment by the Governor, no two of whom shall be from the same department of the state government nor from any department of which an ex officio trustee is the head. The state employees appointed pursuant to this section shall be Merit System employees with at least ten years of creditable state service and shall not be a department head or an assistant department head. The terms of office of the three members appointed by the Governor shall begin immediately after they have qualified and taken the oath of office.
- (6) Two members of the State Employees' Retirement System who shall be vested in the system and elected by a majority vote of the participating full-time state employees who are members of the system, through the use of a statewide ballot conducted by the Secretary-Treasurer under rules promulgated by the Board of Control. For their original terms, one shall serve for a two-year term and one shall serve for a three-year term. Thereafter, their successors each shall serve for a four-year term.

At the expiration of terms of office of the respective original trustees elected under this subdivision (6) and every four years thereafter, their successors shall be elected in the same manner as provided by this subdivision.

- (7) One member from the ranks of retired state employees and one member from the ranks of retired employees of a city, a county, or a public agency each of whom is an active beneficiary of the system shall be elected by a majority vote of the participating retired beneficiaries of the system. The retired state employee member shall serve for a four-year term beginning October 1, 1984, the member who is a retired employee of a city, a county or a public agency shall serve for a three-year term, beginning October 1, 1984, provided after the expiration date of the initial terms provided in this subdivision each term shall be for a period of three years.

The retired members shall be elected in a statewide ballot conducted by the Secretary-Treasurer under rules promulgated by the ERS Board of Control. The Board of Directors of the Alabama Retired State Employees Association shall submit no more than two nominations for each retired member position. The ERS Board of Control shall determine the procedure for selecting additional candidates. The ballots shall be conducted prior to October 1, 1984, and each applicable year thereafter in order that the trustees can take office by October 1, next following such election.

- (8) Two members of the retirement system who shall be employed by an employer participating pursuant to Section 36-27-6, who shall be elected by a majority vote of the full-time employees of employers participating pursuant to Section 36-27-6, and

who are members of the system. For their original terms one shall serve a three-year term and one shall serve a four-year term. Thereafter, their successors shall serve for a four-year term.

The election shall be conducted by the Secretary-Treasurer through use of a statewide ballot in accordance with rules promulgated by the ERS Board of Control, which shall include a nomination petition of not less than 50 eligible voters. The election provided herein shall be conducted prior to October 1, 1991, and each applicable year thereafter in order that the trustees can take office October 1, next following such election.

- (c) If a vacancy occurs in the office of a trustee, the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled, except that of the trustees elected under subdivision (7) of subsection (b). In that event the vacancy for the unexpired term shall be filled by an appointment by the ERS Board of Control of the Employees' Retirement System from a list of three retired employees furnished him by the Board of Directors of the Alabama Retired State Employees Association.
- (d) The trustees shall serve without compensation for their services as trustees, but they shall be reimbursed from the expense fund for all necessary expenses that they may incur through service on the ERS Board of Control
- (e) Each trustee shall, within 10 days after his appointment, take an oath of office that, so far as it devolves upon him, he will diligently and honestly administer the affairs of the ERS Board of Control and that he will not knowingly violate or willingly permit to be violated any provisions of law applicable to the retirement system. Such oath shall be subscribed to by the member making it, certified by the officer before whom it is taken and immediately filed in the office of the Secretary of State.
- (f) Each trustee shall be entitled to one vote in the ERS Board of Control. Seven votes in favor of any decision shall be necessary for a decision by the trustees at any meeting of said board.
- (g) Subject to the limitations of this article, the ERS Board of Control shall, from time to time, establish rules and regulations for the administration of the funds created by this article and for the transaction of its business.
- (h) The ERS Board of Control, by a majority vote of all trustees, shall elect a Secretary-Treasurer who shall serve as the chief executive officer of the retirement system. The ERS Board of Control shall engage such actuarial and other special services as shall be required to transact the business of the retirement system. The compensation of all persons engaged by the board, with the exception of clerical employees who shall be employed under the provisions of the Merit System Act, and all other expenses of the board necessary for the operation of the retirement system shall be paid at such rates and in such amounts as the board shall approve.
- (i) The ERS Board of Control shall keep in convenient form such data as shall be necessary for actuarial valuation of the various funds of the retirement system and for checking the experience of the system.
- (j) The ERS Board of Control shall keep a record of all its proceedings which shall be open to public inspection. It shall publish annually a report showing the fiscal transactions of the retirement system for the preceding year, the amount of the accumulated cash and securities of the system and the last balance sheet showing the financial conditions of the system by means of an actuarial valuation of the assets and liabilities of the retirement system.

- (k) The Attorney General of the state shall be the legal adviser of the ERS Board of Control.
- (l) The ERS Board of Control shall designate a medical board to be composed of three physicians not eligible to participate in the retirement system. If required, other physicians may be employed to report on special cases. The medical boards shall arrange for and pass upon all medical examinations required under the provisions of this chapter and shall investigate all essential statements and certificates by or on behalf of a member in connection with an application for disability retirement and shall report in writing to the Board of Control its conclusions and recommendations upon all matters referred to it.
- (m) The ERS Board of Control shall designate an actuary who shall be the technical adviser of the ERS Board of Control on matters regarding the operation of the funds created by the provisions of this article and shall perform such other duties as are required in connection therewith.
- (n) Immediately after the establishment of the retirement system the actuary shall make such investigation of the mortality, service and compensation experience of the members of the system as he shall recommend and the Board of Control shall authorize, and, on the basis of such investigation, he shall recommend for adoption by the ERS Board of Control such tables and such rates as are required in subsection (o) of this section. The ERS Board of Control shall adopt tables and certify rates and, as soon as practicable thereafter, the actuary shall make a valuation based on such tables and rates of the assets and liabilities of the funds created by this article.
- (o) In 1948, and at least once in each five-year period thereafter, the actuary shall make an actuarial investigation into mortality, service and compensation experience of the members and beneficiaries of the retirement system and shall make a valuation of the assets and liabilities of the funds of the system and, taking into account the results of such investigation and valuation, the ERS Board of Control shall adopt for the retirement system such mortality, service and other tables as shall be deemed necessary and certify the rates of contribution payable by the state under the provisions of this article.
- (p) On the basis of such tables as the ERS Board of Control shall adopt, the actuary shall make an annual valuation of the assets and liabilities of the funds of the system created by this article.