

2018 One Time Lump Sum Payment for ERS State Retirees (Act 2018-355)

Eligibility: Retiree must be retired prior to May 1, 2018, and receiving benefits on April 30, 2018. Beneficiaries are entitled to receive if the eligibility requirements are met. If the retired account is in a suspended status and the beneficiary is entitled to receive a monthly benefit payment (option 2, 3, or 4) as of April 30, 2018, the beneficiary would be entitled to the 2018 One Time Lump Sum Payment when the retired account is activated. If the retiree's date of death is after April 30, 2018 and prior to the processing of the 2018 One Time Lump Sum Payment, the beneficiary would be entitled to the 2018 One Time Lump Sum Payment, even if a monthly survivor benefit will not be paid.

Formula: \$1.00 per month for each year of service ($\$12 \times$ years and months of service). No minimum payment indicated in the Act. Total service will include the period a retiree was in DROP, hazardous duty (FLC bonus) credit, and state police bonus credit.

Payment: The 2018 One Time Lump Sum Payment will be included in the June 30, 2018, monthly benefit so that direct deposit can be utilized. The cost of the payment will be included in the State's FY 2020 employer contributing rate. The 2018 One Time Lump Sum letter will be mailed to retirees/beneficiaries no later than May 31, 2018.

Tax: Taxes will be withheld based on the W-4P a retiree/beneficiary has on file.

Eligible Agencies: All numeric state agencies and the following agencies (AEB, LDA, LJA, LMA, LMD, LSE, RMG, SDT and SSH).

Thank you.
The Employees' Retirement System of Alabama