

2022 Regular Session

The 2022 Regular Legislation Session ended on April 7, 2022. The Legislature fully funded the RSA, provided tax exemptions for retirees, improved Tier II benefits, and improved active members' death benefits.

As it has always done, the Legislature ensured that the **RSA was fully funded** by setting the actuarially determined employer contribution rate in the budgets. **This is one of the most important things to ensure the RSA's continued sustainability and ability to pay promised retirement benefits to its members.**

Additionally, the Legislature provided bonuses for ERS State and TRS retirees, who received these payments at the end of April. A direct appropriation funded the TRS bonus, and the ERS bonus will be funded by an increase in the fiscal year 2024 employer contribution rate. ERS retirees from local units may receive the same bonus in October if their local employer elects to provide it.

The Legislature further provided relief to all retirees by providing a \$6,000 state tax exemption for taxable retirement income of retirees aged 65 and above (Act 2022-294). This exemption will include distributions from RSA-1 retirement accounts.

The Legislature improved the retirement benefits for ERS and TRS Tier II members (Act 2022-222 for TRS and Act 2022-351 for ERS). Currently, Tier II members can retire only after reaching retirement age (62 years for regular members and 56 years for members who are firefighters, law enforcement officers, and correctional officers). These Acts allow Tier II members to retire at any age with 30 years of service, subject to a benefit reduction of 2% for every year that the member is below retirement age. There is no member contribution rate increase for this new benefit.

Finally, the Legislature made important changes to death benefits for active members. Act 2022-184 gives surviving spouses of retirement-eligible members that die in active service the same benefit that would have been available if the member had retired and selected the 100% lifetime benefit option. The only requirement is that the spouse must be the sole designated beneficiary on file for that member.

House Bills

Bill/Sponsor	Companion	Summary	Status
HB26/Wood		Removes requirement that JRF members transfer any ERS service to JRF within first year as a JRF member.	Enacted. Act 2022-347.
HB134/Baker		As amended in the Senate, modifies TRS Tier II by allowing 30-year retirement with an early retirement penalty of 2% for every year the retiree is below the retirement age.	Enacted. Act 2022-222.
HB135/Garrett		Education Trust Fund budget; fully funds TRS and PEEHIP.	Enacted. Act 2022-393.
HB138/Garrett		Supplemental education appropriations; as substituted appropriates \$58.4M to TRS to fund the retiree bonus provided by SB30.	Enacted. Act 2022-395.
HB155/Ellis		Allows surviving spouses of retirement-eligible RSA members who die in active service to receive Option 2.	Enacted. Act 2022-184.
HB162/Greer	SB18/Orr	Exempts up to \$6,000 of taxable retirement income from state income taxation for taxpayers who are 65 years of age or older.	Enacted. Act 2022-294.
HB308/Ingram	SB230/Albritton	As amended in Senate Finance and Taxation General Fund, modifies ERS Tier II by allowing 30-year retirement with an early retirement penalty of 2% for every year the retiree is below the retirement age.	Enacted. Act 2022-351.
HB346/Ellis		Removes the deadline for local units to elect to provide Tier I benefits to Tier II employees.	Enacted. Act 2022-348.
HB352/Meadows	SB187/Albritton	Creates a trust to fund bonuses for ERS State retirees.	Enacted. Act 2022-349.
HB437/Kiel		Proposes a constitutional amendment to allow mayors in Franklin County to participate in ERS.	Enacted. Act 2022-185.
HB480/Chestnut		Proposes a constitutional amendment to allow mayors in Dallas County to participate in ERS	Enacted. Act 2022-262.

Senate Bills

Bill/Sponsor	Companion	Summary	Status
SB30/Singleton		Provides a \$2 per month of service bonus for TRS retirees.	Enacted. Act 2022-178.
SB106/Albritton		General Fund budget; fully funds ERS.	Enacted. Act 2022-270.
SB111/Albritton	HB404/Sells	Provides a \$2 per month of service bonus for ERS retirees.	Enacted. Act 2022-229.
SB238/Hatcher		Proposes a constitutional amendment to allow mayors in Montgomery County to participate in ERS.	Enacted. Act 2022-257.