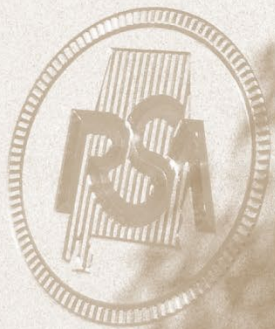




THE
RETIREMENT SYSTEMS
OF
ALABAMA

Employees' Retirement System of Alabama



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Board of Control Election Manual

Amended on 6/28/2017, 3/17/2020, 6/8/2021, and 12/12/2023

Composition of the ERS Board of Control

The ERS Board of Control consists of 15 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
- Eight members of the Employees' Retirement System elected by its membership:
 - Two Active State Employees
 - One Retired State Employee
 - One Retired Local Employee retired from a participating city, county, or public agency
 - One Active Local Employee employed by a participating municipality or city
 - One Active Local Employee employed by a participating county
 - One Active or Retired Local Employee employed by or retired from a participating entity pursuant to *Ala. Code* § 36-27-6
 - One Active Local Employee employed by a participating entity pursuant to *Ala. Code* § 36-27-6 other than a municipality, city, or county

Terms of Office

- The ex officio members serve as long as they hold that office.
- The Governor's appointees serve at the pleasure of the Governor.
- All other members serve four-year terms.

Vacancies

With the exception of the One Retired State Employee Position and the One Retired Local Employee retired from a participating city, county, or public agency as set forth in *Ala. Code* § 36-27-23(b)(7), if a vacancy occurs in a position, it will be filled in the same manner as the office was previously filled. If a vacancy occurs in in the One Retired State Employee Position and the One Retired Local Employee retired from a participating city, county, or public agency as set forth in *Ala. Code* § 36-27-23(b)(7), 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 as required by *Ala. Code* § 36-27-23(c).

Third-Party Entity (Independent Election Service)

Regular, statewide elections shall be conducted by the Independent Election Service that is not a participant of or affiliated with the Employees' Retirement System. The Independent Election Service shall be responsible for the distribution and collection of ballots, tallying election results, and providing election reports.

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 or election.

Voting

- Each member is entitled to one vote.
- Eight 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.

Vice Chairperson

The members of the ERS Board of Control elect a vice chairperson.

Duties of the ERS Board of Control

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

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 ensure that a nominee's eligibility is certified for a place on the official ballot.
- 1.2.2. The Chairperson of the Election Committee or designee will conduct a random drawing of names to determine the order of candidates on the ballot.
- 1.2.3. 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.
- 1.2.4. The Election Committee will certify the results of each election.
- 1.2.5. After the results of the election have been certified, the Election Committee will ensure each candidate is contacted with the results.
- 1.2.6. 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 April *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.

- 2.3. Nomination documents will be available on the RSA's website or from the Election Coordinator.
- 2.4. Nomination documents for the vacant position including any required nomination petition with at least 50 signatures, must be received by the Election Coordinator no later than 4:00 pm, April 29 or the first business day following.. Only documents with original signatures are accepted.

3. Eligibility Determination of Elected Positions

3.1. Two Active State Employees

A person who petitions for this position must a vested member of the ERS and employed with a state agency.

3.2. One Retired State Employee

A person who petitions to run for this position must be a retired state employee and currently receiving an ERS retirement benefit.

3.3. One Retired Local Employee retired from a participating city, county, or public agency

A person who petitions to run for this position must be a retired employee of a city, county, or public agency and currently receiving an ERS retirement benefit.

3.4. One Active Local Employee employed by a participating municipality or city

A person who petitions to run for this position must be a full-time employee of a participating municipality or city. This position requires a nomination petition with at least 50 signatures of eligible voters. This position requires a nomination petition with at least 50 signatures of eligible voters.

3.5. One Active Local Employee employed by a participating county

A person who petitions to run for this position must be a full-time employee of a participating county. This position requires a nomination petition with at least 50 signatures of eligible voters.

3.6. One Active or Retired Local Employee employed by or retired from a participating entity pursuant to Ala. Code § 36-27-6

A person who petitions to run for this position must be a full-time employee or retired employee of an entity participating in the ERS pursuant to *Ala. Code § 36-27-6*. This position requires a nomination petition with at least 50 signatures of eligible voters.

3.7. One Active Local Employee employed by a participating entity pursuant to Ala. Code § 36-27-6 other than a municipality, city, or county.

A person who petitions to run for this position must be a full-time employee of an entity participating in the ERS pursuant to *Ala. Code § 36-27-6* other than a

municipality, city, or county. This position requires a nomination petition with at least 50 signatures of eligible voters.

- 3.8. If a change in the candidate's position has occurred after qualification, the candidate is no longer eligible to run for election and shall be disqualified.

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. Where a nomination petition of at least 50 signatures of eligible voters is required, each signature must include 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.
- 4.3. It is the responsibility of the Election Committee to certify that a nominee is eligible for a place on the official ballot.
- 4.4. Once the validation process is completed, each candidate will be notified of his or her validation status.

5. *Biographical Information*

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. Biographical information that includes qualifications will be included with the election ballot. This information should include basic information such as education, work experience, and awards. The information is published at the discretion of the Election Committee. Where possible, it is preferred to have the biographical information 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 Election Committee or its designee on or before May 4 or the first business day following. 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 on or before June 3 or the first business day following.

6.1.3. Receipt of ballots

Voted ballots or phone and internet responses must be received by the Third-Party Entity before 4:00 p.m. on July 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 the Third-Party Entity and the results tabulated.

6.1.6. Certification of ballots

6.1.6.1. The ballots will be canvassed and the results sent to the Election Committee for certification on or before July 19 or the first business day following. If a committee member has any concern as to the ballots, the Chair or the committee member will call a meeting. Any request for a meeting must be made within 24 hours of the results being sent. If there is no timely request for such meeting, the votes are certified.

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 on or before August 12 or the first business day following.
- 7.4. Runoff ballots must be received by the Third-Party Entity before 4:00 p.m. on September 16 or the first business day following.
- 7.5. The ballots will be canvassed and the results sent to the Election Committee for certification on or before September 20 or the first business day following. If a committee member has any concern as to the ballots, the Chair or the committee member will call a meeting. Any request for a meeting must be made within 24 hours of the results being sent. If there is no timely request for such meeting, the votes are certified.

8. *Oath of Office*

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. *Endorsements by Current Board Members and Staff*

ERS board members and staff may endorse candidates in elections for board positions only while on personal time or approved leave and in compliance with all applicable laws and regulations, as amended from time to time. See *Ala. Code* §§ 17-1-4(a)(3), 17-17-5(c), and 36-26-38.

10. *Definitions*

Member

Person employed by a state agency or participating entity in the ERS and contributing to the ERS or a person retired from a state agency or participating entity in the ERS and receiving an ERS retirement benefit.

Voter

Member of the ERS who is eligible to vote for a position pursuant to *Ala. Code* § 36-27-23.

Candidate

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, 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 ERS 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.

11. Election Timeline

April 1	Election announcement in the <i>Advisor</i>
April 29	Nominations due
May 4	Election Committee validates candidates and draws name order
June 1	<i>Advisor</i> article announces voting dates
June 3	Ballots to be mailed out
July 15	Ballots due to Third-Party Entity
July 19	Election Committee certifies results
August 1	<i>Advisor</i> article announces results/runoff if needed
August 12	Runoff ballots to be mailed out
September 16	Runoff ballots due to Third-Party Entity
September 20	Election Committee certifies run-off results
October 1	Term begins
December	First board meeting

Should any of the foregoing deadlines fall upon a weekend or holiday, the deadline shall be moved to the following business day.

Applicable Law

§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 15 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. For appointments made after February 1, 2020, the Governor shall coordinate his or her appointments to assure that Board of Control membership is inclusive and reflects the racial, gender, and economic diversity of the state.
- (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 state employee elected to serve the term beginning October 1, 2024, and each retired state employee elected to serve thereafter, shall serve a term of four years. The retired employee of a city, county, or public agency elected to serve the term beginning October 1, 2023 and each retired employee of a city, county, or public agency elected thereafter, shall serve a term of four 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) a. Four members of the retirement system who are employed by or retired from an employer participating pursuant to Section 36-27-6, who shall be elected by a majority vote of the members of the retirement system who are, as provided in this section, the full-time employees of those employers.. The members of the retirement system who are elected and their successors shall serve for a four-year term, except as provided to achieve staggered terms. The four members of the retirement system elected pursuant to this subdivision shall include:
1. Effective with the election following the conclusion of the term of office held by the trustee in office on the effective date of this act and elected to a term ending September 30, 2022, as provided by this subdivision, one member of the retirement system who is a full-time employee of a participating municipality or city shall be elected by a majority vote of the full-time employees of the participating municipalities or cities.
 2. One member of the retirement system who is a full-time employee of a participating county shall be elected by a majority vote of the full-time employees of the participating counties. The original term of office shall begin immediately after the individual has been elected and taken the oath of office and, in order to achieve staggered terms, the original term shall expire on September 30, 2026.
 3. One member of the retirement system who is a full-time employee or retiree of an entity participating pursuant to Section 36-27-6, shall be elected by a majority vote of the full-time employees and retirees of the participating entities. The original term of office shall begin immediately after the individual has been elected and taken the oath of office and, in order to achieve staggered terms, the original term shall expire on September 30, 2025.
 4. Effective with the election following the conclusion of the term of office held by the trustee in office on the effective date of this act and elected to a term ending September 30, 2023 as provided by this subdivision, one member of the retirement system who is a full-time employee of an entity participating pursuant to Section 36-27-6, other than a municipality, city, or county, shall be elected by a majority vote of the full-time employees of those participating entities.
- b. The elections shall be conducted by the Secretary-Treasurer through use of a statewide ballot in accordance with rules adopted by the ERS Board of Control, which shall include a nomination petition of not less than 50 eligible voters. The election provided in subparagraph 2. shall be conducted prior to October 1, 2022. The election provided in subparagraph 3. shall be considered prior to October 1, 2021. Each applicable year thereafter, all elections shall be conducted in the manner set forth in this subdivision 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. Eight 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.