

1 HB116
2 215415-1
3 By Representative Sells
4 RFD: Ways and Means General Fund
5 First Read: 13-JAN-22

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8 SYNOPSIS: Under existing law, there is no provision
9 for retirees receiving monthly benefits from the
10 Employees' Retirement System to receive a funded
11 one-time lump-sum addition to their retirement
12 allowances.

13 This bill would provide such a payment to
14 certain retirees under the Employees' Retirement
15 System.

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17 A BILL
18 TO BE ENTITLED
19 AN ACT

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21 To provide for a funded one-time lump-sum addition
22 to the retirement benefits of certain retirees of the
23 Employees' Retirement System.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. (a) There is provided for fiscal year
26 2021-2022 a funded one-time lump-sum payment, hereinafter
27 referred to as lump-sum payment, to each person except those

1 whose employer participated in the Employees' Retirement
2 System pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1,
3 Code of Alabama 1975, whose effective date of retirement for
4 purposes of receiving benefits from the Employees' Retirement
5 System is prior to May 1, 2022, and who is receiving or is
6 entitled to receive a monthly allowance from the Employees'
7 Retirement System on April 30, 2022.

8 (b) The formula for calculating the lump-sum payment
9 shall be one dollar and twenty-five cents (\$1.25) per month
10 for each year of service attained by the retiree.

11 (c) Beneficiaries of deceased members or deceased
12 retirees, except where the deceased member or deceased retiree
13 retired from any employer participating in the Employee's
14 Retirement System pursuant to Sections 32-27-6, 36-27-7, and
15 36-27-7.1, Code of Alabama 1975, if the date of death for the
16 deceased member, or the effective date of retirement for the
17 deceased retiree for purposes of receiving benefits from the
18 Employees' Retirement System prior to May 1, 2022, and if the
19 beneficiary is receiving or is entitled to receive a monthly
20 allowance from the Employees' Retirement System on April 30,
21 2022, shall receive a lump-sum payment.

22 (d) For purposes of this act, service includes the
23 service under Section 36-27-1 and Section 36-27-170 et seq.,
24 Code of Alabama 1975, as well as state police bonus credit or
25 hazardous duty (FLC bonus) credit.

26 Section 2. Any person who received benefits under
27 the Medicaid program and whose eligibility for Medicaid

1 benefits would be impaired by the lump-sum payment provided by
2 this act shall not be entitled to receive the aforementioned
3 increase. Any person who subsequently applies for benefits
4 under the Medicaid program and that person's eligibility to
5 receive benefits is impaired by the lump-sum payment provided
6 by this act shall not be entitled to receive the increase
7 subsequent to the date that the member files application for
8 benefits under the Medicaid program.

9 Section 3. The Board of Control of the Employees'
10 Retirement System shall determine the amount required to pay
11 the cost of the lump-sum payments provided under this act and
12 shall notify the chief fiscal officer of each employer of the
13 increases in the employer rate required to be paid to the
14 system. For the fiscal year beginning October 1, 2022 only,
15 each employer shall pay the increase in the employer rate in
16 the same manner and from the same source of funds as salaries
17 of active members are paid.

18 Section 4. The lump-sum payments provided under this
19 act shall be paid to all eligible recipients by the Employees'
20 Retirement System in June 2022.

21 Section 5. It is not the intent of this act to make
22 appropriations, but the amount required to pay the cost of the
23 lump-sum payments provided under this act shall be made in the
24 annual State General Fund budget act for the 2023 fiscal year.

25 Section 6. This act shall become effective
26 immediately following its passage and approval by the
27 Governor, or its otherwise becoming law.

