SB147

196690-2

By Senators Waggoner, Livingston, Elliott, Ward and Chambliss

RFD: Fiscal Responsibility and Economic Development

First Read: 20-MAR-19
A BILL
TO BE ENTITLED
AN ACT

To add Section 36-27-6.5 to the Code of Alabama 1975, relating to retirement for members of the Employees' Retirement System; to provide that a local employer participating in the ERS could elect to provide the same retirement benefits given to Tier I plan members to its Tier II plan members.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 36-27-6.5 is added to the Code of Alabama 1975, to read as follows:

§36-27-6.5.

(a) Any employer participating in the Employees' Retirement System of Alabama pursuant to Section 36-27-6, may, by adoption of a resolution within 24 months of the effective date of the act adding this section, elect to provide to its Tier II plan members the same retirement benefits provided to Tier I plan members. Provided, however, the Employees' Retirement System Board of Control may, based on a staff
review of the historical compliance with ERS requirements as well as the financial stability of the local government entity, elect to deny the election authorized herein. The local entity may petition the Board of Control for a reconsideration of its action within the 24 months period of the effective date of this act. Such election shall be irrevocable and shall be effective at the beginning of the fiscal year following the date the resolution is received by the ERS.

(b) Any employer that has not increased the Tier I member contribution rates as provided in Act 2011-676 shall develop a plan to gradually increase the member contribution rates as provided herein. The plan shall be submitted to the Employees' Retirement System before electing to provide Tier II plan members the same retirement benefits as Tier I plan members. Beginning in the month the election to provide Tier II plan members the same retirement benefits provided to Tier I plan members becomes effective, Tier II plan members shall contribute to the Employees' Retirement System seven and one-half percent of their earnable compensation and Tier II plan members who are firefighters, law enforcement officers, or correctional officers, as defined in Section 36-27-59 (a), shall contribute to the Employees' Retirement System eight and one-half percent of their earnable compensation.

(c) Anything in this article to the contrary notwithstanding, in the application of the provisions of Sections 36-27-16 and 16-25-14 to a member whose creditable
service includes periods of service to different Tier plans, the benefit rates of each respective Tier plan will be applicable to the creditable service earned while in each respective Tier plan. In all other respects the pension under this subdivision shall be determined on the basis of the member's Tier plan at the time of his or her withdrawal from service.

Section 2. This act shall become effective immediately following its passage and approval by the Governor, or its otherwise becoming law.
Senate

Read for the first time and referred to the Senate committee on Fiscal Responsibility and Economic Development........................... 20-MAR-19

Read for the second time and placed on the calendar........................... 03-APR-19

Read for the third time and passed as amended .... 16-APR-19

Yeas 24
Nays 7

Patrick Harris,
Secretary.