SB147
196690-1
By Senators Waggoner, Livingston, Elliott, Ward and Chambliss
RFD: Fiscal Responsibility and Economic Development
First Read: 20-MAR-19
SYNOPSIS: Under existing law, a local governing body or local public organization can elect to have its officers and employees participate in the Employees' Retirement System.

This bill would provide that a local employer participating in the Employees' Retirement System could elect to provide the same retirement benefits given to Tier I plan members to its Tier II plan members.

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. 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) Beginning in the month the election 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.

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