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Replace line 7 on page 1 with the following:

beginning October 1, 2026.

This bill would also provide for a funded one-time longevity bonus for certain retirees and beneficiaries of the Employees' Retirement System.

Replace line 14 on page 1 with the following:

employees for the fiscal year beginning October 1, 2026; and to provide for a funded one-time longevity bonus addition to the retirement benefits of certain retirees and beneficiaries of the Employees' Retirement System.

Replace line 16 on page 1 with the following:

Section 1. (a) Beginning with the first pay day on or after

Replace lines 29 through 30 on page 2 with the following:

(b) (1) Any cost-of-living increase granted under this section shall in no way apply to any local supplement



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Replace line 33 on page 2 with the following:

(2) This section shall not apply to any Merit System

Replace line 36 on page 2 with the following:

(c) The Director of the State Personnel

Replace line 46 on page 2 with the following:

this section, and shall certify the same to the State
Comptroller,

Replace line 54 on page 2 with the following:

increase provided in this section and shall certify
the same to

Replace line 57 on page 3 with the following:

(d) It is not the intent of this section to make

Replace lines 58 through 61 on page 3 with the following:

appropriations, but the appropriations required by
this section shall be made in the annual budget act for
the affected entities.

Section 2. (a) (1) There is provided a funded one-time
lump-sum payment, hereinafter referred to as longevity



49 bonus, to each individual except those whose employer
50 participated in the Employees' Retirement System pursuant
51 to Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of
52 Alabama 1975, whose effective date of retirement for
53 purposes of receiving benefits from the Employees'
54 Retirement System is prior to October 1, 2025, and who is
55 receiving or is entitled to receive a monthly allowance
56 from the Employees' Retirement System on September 30,
57 2026.

58 (2) The formula for calculating the longevity bonus
59 shall be one dollar (\$1) per month for each year of
60 service attained by the retiree.

61 (3) Beneficiaries of deceased members or deceased
62 retirees, except where the deceased member or deceased
63 retiree retired from an employer participating in the
64 Employees' Retirement System pursuant to Sections
65 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama 1975, if
66 the beneficiary is receiving or is entitled to receive a
67 monthly allowance from the Employees' Retirement System
68 on September 30, 2026, shall receive a bonus payment.

69 (4) For purposes of this section, service includes
70 the service under Section 36-27-1 and Article 9,
71 commencing with Section 36-27-170, of Chapter 27, Title
72 36, Code of Alabama 1975, as well as state police bonus



73 credit or hazardous duty (FLC bonus) credit.

74 (b) (1) Each individual whose employer participated in
75 the Employees' Retirement System pursuant to Sections
76 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama 1975,
77 whose effective date of retirement for purposes of
78 receiving benefits from the Employees' Retirement System
79 is prior to October 1, 2025, and who is receiving or is
80 entitled to receive a monthly allowance from the
81 Employees' Retirement System on September 30, 2026, shall
82 receive the longevity bonus specified in subdivisions
83 (a) (1) and (a) (2), if the employer elects to come under
84 this section by official resolution on or before August
85 31, 2026. Any employer making the election to come under
86 this section shall bear the cost of the longevity bonus
87 paid to its retirees pursuant to this subsection.

88 (2) If the employer elects to come under this
89 section, beneficiaries of deceased members or deceased
90 retirees retired from an employer participating in the
91 Employees' Retirement System pursuant to Sections
92 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama 1975, if
93 the beneficiary is receiving or is eligible to receive a
94 monthly allowance from the Employees' Retirement System
95 on September 30, 2026, shall receive a bonus payment.

96 (c) (1) Any retired pensioner or annuitant who retired



97 from a city, town, county, or public or quasi-public
98 organization of the state before the city, town, county,
99 or public or quasi-public organization of the state
100 became a member of the Employees' Retirement System, and
101 who is receiving or is entitled to receive a monthly
102 allowance from the Employees' Retirement System on
103 September 30, 2026, shall receive the longevity bonus
104 stipulated in subdivisions (a)(1) and (a)(2), provided
105 the employer elects to come under this section. Any
106 employer making the election to come under this section
107 shall bear the cost of the longevity bonus paid to its
108 retirees pursuant to this subsection and provide the
109 Employees' Retirement System with the number of years of
110 creditable service earned by each of its eligible
111 pensioners and annuitants.

112 (2) Beneficiaries of Employees' Retirement System
113 pensioners or annuitants described in subdivision (1)
114 shall receive a longevity bonus, provided the date of
115 death for the deceased pensioner or annuitant, or the
116 effective date of retirement for the deceased pensioner
117 or annuitant, was prior to October 1, 2025, and the
118 beneficiary is receiving or is entitled to receive a
119 monthly allowance from the Employees' Retirement System
120 on September 30, 2026, and the local unit elects to fund



121 the longevity bonus and provides the Employees'
122 Retirement System with the number of years of creditable
123 service earned by each of its eligible pensioners and
124 annuitants.

125 (d) Any person who received benefits under the
126 Medicaid program and whose eligibility for Medicaid
127 benefits would be impaired by the longevity bonus
128 provided by this section shall not be entitled to receive
129 the aforementioned increase. Any person who subsequently
130 applies for benefits under the Medicaid program, and that
131 person's eligibility to receive benefits is impaired by
132 the longevity bonus provided by this section, shall not
133 be entitled to receive the increase subsequent to the
134 date that the member files application for benefits under
135 the Medicaid program.

136 (e) The Board of Control of the Employees' Retirement
137 System shall determine the amount required to pay the
138 cost of the longevity bonus provided under this section
139 and shall notify the chief fiscal officer of each
140 employer of that cost. The employer shall either pay the
141 full cost in a lump sum or, for the fiscal year beginning
142 October 1, 2027, only, pay the increase in the employer
143 rate in the same manner and from the same source of funds
144 as salaries of active members are paid.



145 (f) (1) Unless otherwise provided in subdivision (2),
146 the longevity bonuses provided under this section shall
147 be paid to all eligible recipients by the Employees'
148 Retirement System in October 2026.

149 (2) For all eligible recipients whose employer
150 participated in the Employees' Retirement System pursuant
151 to Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of
152 Alabama 1975, the longevity bonuses provided under this
153 section shall be paid by the Employees' Retirement System
154 in October 2026.

155 Section 3. This act shall become effective
156 immediately