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3 SENATE FINANCE AND TAXATION EDUCATION COMMITTEE SUBSTITUTE FOR
4 SB172

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9 SYNOPSIS: Under existing law, there is no provision
10 for retirees and beneficiaries receiving monthly
11 benefits from the Teachers' Retirement System to
12 receive a funded lump-sum payment in addition to
13 their retirement allowances.

14 This bill would provide a longevity bonus
15 payment to certain retirees and beneficiaries under
16 the Teachers' Retirement System.

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18 A BILL
19 TO BE ENTITLED
20 AN ACT

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22 To provide for a funded one-time lump-sum payment in
23 addition to the retirement benefits of certain retirees and
24 beneficiaries of the Teachers' Retirement System.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. (a) There is provided for fiscal year
27 2021-2022 a funded one-time lump-sum payment, hereinafter

1 referred to as lump-sum payment, to each individual whose
2 effective date of retirement for purposes of receiving
3 benefits from the Teachers' Retirement System is prior to June
4 1, 2021, and who is receiving, or is entitled to receive, a
5 monthly allowance from the Teachers' Retirement System on
6 November 30, 2021.

7 (b) The formula for calculating the lump-sum payment
8 shall be two dollars (\$2) per month for each year of service
9 attained by the retiree or three hundred dollars (\$300),
10 whichever is greater.

11 (c) Beneficiaries of deceased members or deceased
12 retirees, if the beneficiary is receiving or is entitled to
13 receive a monthly allowance from the Teachers' Retirement
14 System on November 30, 2021, shall receive a lump-sum payment
15 of three hundred dollars (\$300).

16 (d) There is provided for fiscal year 2021-2022 a
17 funded one-time lump-sum payment to each individual identified
18 in subsection (f), whose effective date of retirement for
19 purposes of receiving benefits from the Teachers' Retirement
20 System is prior to June 1, 2021, and who is receiving, or is
21 entitled to receive, a monthly allowance from the Teachers'
22 Retirement System on November 30, 2021.

23 (e) For purposes of this section, service includes
24 the service under Section 16-25-1 and Article 9, commencing
25 with Section 16-25-150, Chapter 25, Title 16, Code of Alabama
26 1975.

1 (f) Any individual who received benefits under the
2 Medicaid program, and whose eligibility for Medicaid benefits
3 would be impaired by the lump-sum payment provided by this
4 section, shall not be entitled to receive the aforementioned
5 increase. Any individual who subsequently applies for benefits
6 under the Medicaid program, and that individual's eligibility
7 to receive benefits is impaired by the lump-sum payment
8 provided by this section, shall not be entitled to receive the
9 increase subsequent to the date that the member files
10 application for benefits under the Medicaid program.

11 (g) The lump-sum payments provided under this
12 section shall be paid to all eligible recipients by the
13 Teachers' Retirement System in December 2021.

14 Section 2. The Board of Control of the Teachers'
15 Retirement System shall determine the amount required to pay
16 the cost of the lump-sum payments provided under this act and
17 shall notify the chief fiscal officer of each employer of the
18 increases in the employer rate required to be paid to the
19 system for the fiscal year beginning October 1, 2022, only.
20 Each employer shall pay the increase in the employer rate in
21 the same manner and from the same funds as salaries of active
22 members are paid.

23 Section 3. This act shall become effective
24 immediately following its passage and approval by the
25 Governor, or its otherwise becoming law.