SYNOPSIS: Under existing law, there is no provision for retirees and beneficiaries receiving monthly benefits from the Teachers' Retirement System (TRS) to receive a funded one-time lump-sum addition to their retirement allowances. This bill would provide such a payment to certain retirees and beneficiaries under the TRS.

A BILL
TO BE ENTITLED
AN ACT

Relating to retirement; to provide for a funded one-time lump-sum addition to the retirement benefits of certain retirees and beneficiaries of the Teachers' Retirement System conditional upon the availability of funds in the Education Trust Fund.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
Section 1. (a) There is hereby provided for fiscal year 2019-2020 a funded one-time lump-sum payment, hereinafter referred to as "lump-sum payment," in the amount of $400.00 to each person whose effective date of retirement for purposes of receiving benefits from the Teachers' Retirement System is prior to October 1, 2019, and who is receiving or is entitled to receive a monthly allowance from the Teachers' Retirement System on September 30, 2019.

(b) Beneficiaries of deceased members or deceased retirees, if the date of death for the deceased member, or the effective date of retirement for the deceased retiree for purposes of receiving benefits from the Teachers' Retirement System was prior to October 1, 2019, and if the beneficiary is receiving or is entitled to receive a monthly allowance from the Teachers' Retirement System on September 30, 2019, shall receive a lump-sum payment of $400.00.

(c) There is hereby provided for fiscal year 2019-2020 a funded one-time lump-sum payment to certain persons identified in subsection (e) herein, whose effective date of retirement for purposes of receiving benefits from the Teachers' Retirement System is prior to October 1, 2019, and who is receiving or is entitled to receive a monthly allowance from the Teachers' Retirement System on September 30, 2019.

(d) For purposes of this section, service includes the service under Section 16-25-1 and Section 16-25-150 et seq., Code of Alabama 1975.
(e) Any person who received benefits under the Medicaid program and whose eligibility for Medicaid benefits would be impaired by the lump-sum payment provided by this section shall not be entitled to receive the aforementioned increase. Any person who subsequently applies for benefits under the Medicaid program and that person’s eligibility to receive benefits is impaired by the lump-sum payment provided by this section shall not be entitled to receive the increase subsequent to the date that the member files application for benefits under the Medicaid program.

(f) The lump-sum payments provided under this section shall be paid to all eligible recipients by the Teachers' Retirement System in December 2019.

Section 2. It is not the intent of this act to make appropriations, but the appropriation required by this act is conditioned upon the availability of funds in the annual Education Trust Fund budget act for the fiscal year beginning October 1, 2019, the recommendation of the Finance Director, and the approval of the Governor.

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