

1 SB290  
2 205677-1  
3 By Senator Ward  
4 RFD: Finance and Taxation General Fund  
5 First Read: 10-MAR-20

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8 SYNOPSIS: Under existing law, there is no provision  
9 for retirees and beneficiaries receiving monthly  
10 benefits from the Employees' Retirement System  
11 (ERS) to receive a funded one-time lump-sum bonus  
12 in addition to their retirement allowances.

13 This bill would provide a one-time lump-sum  
14 bonus to certain retirees and beneficiaries under  
15 the Employees' Retirement System.

16  
17 A BILL  
18 TO BE ENTITLED  
19 AN ACT

20  
21 To provide for a funded one-time lump-sum bonus in  
22 addition to the retirement benefits of certain retirees and  
23 beneficiaries of the Employees' Retirement System.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. (a) There is provided for fiscal year  
26 2021-2022 a funded one-time lump-sum payment, hereinafter  
27 referred to as lump-sum bonus, to each person except those

1 whose employer participated in the Employees' Retirement  
2 System pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1,  
3 Code of Alabama 1975, whose effective date of retirement for  
4 purposes of receiving benefits from the Employees' Retirement  
5 System is prior to October 1, 2020, and who is receiving or is  
6 entitled to receive a monthly allowance from the Employees'  
7 Retirement System on September 30, 2020.

8 (b) The bonus shall be comprised of the sum of all  
9 of the following three parts:

10 (1) Two hundred dollars (\$200) for retirees whose  
11 annual retirement benefit is equal or less than twenty-two  
12 thousand dollars (\$22,000), or one hundred dollars (\$100) for  
13 retirees whose annual retirement benefit is more than  
14 twenty-two thousand dollars (\$22,000).

15 (2) Two hundred dollars (\$200) for retirees who  
16 retired prior to January 1, 2000, or one hundred dollars  
17 (\$100) for retirees who retired on or after January 1, 2000.

18 (3) Two hundred dollars (\$200) for retirees with 25  
19 years or more of creditable service, or one hundred dollars  
20 (\$100) for retirees with less than 25 years of creditable  
21 service.

22 (c) Beneficiaries of deceased members or deceased  
23 retirees, except where the deceased member or deceased retiree  
24 retired from an employer participating in the Employees'  
25 Retirement System pursuant to Sections 36-27-6, 36-27-7, or  
26 36-27-7.1, Code of Alabama 1975, if the date of death for the  
27 deceased member, or the effective date of retirement for the

1       deceased retiree for purposes of receiving benefits from the  
2       Employees' Retirement System was prior to October 1, 2020, and  
3       if the beneficiary is receiving or is entitled to receive a  
4       monthly allowance from the Employees' Retirement System on  
5       September 30, 2020, shall receive a lump-sum bonus of three  
6       hundred dollars (\$300).

7               (d) For purposes of this act, service includes the  
8       service under Section 36-27-1 and Article 9, commencing with  
9       Section 36-27-170, Chapter 27, Title 36, Code of Alabama 1975,  
10      as well as state police bonus credit or hazardous duty (FLC  
11      bonus) credit.

12              Section 2. (a) Each person whose employer  
13      participated in the Employees' Retirement System pursuant to  
14      Sections 36-27-6, 36-27-7, or 36-27-7.1, Code of Alabama 1975,  
15      whose effective date of retirement for purposes of receiving  
16      benefits from the Employees' Retirement System is prior to  
17      October 1, 2020, and who is receiving or is entitled to  
18      receive a monthly allowance from the Employees' Retirement  
19      System on September 30, 2020, shall receive the lump-sum bonus  
20      specified in subsections (a) and (b) of Section 1, if the  
21      employer elects to come under this act by official resolution  
22      on or before September 1, 2020. Any employer making the  
23      election to come under this act shall bear the cost of the  
24      lump-sum bonus paid to its retirees pursuant to this section.

25              (b) If the employer elects to come under this act,  
26      beneficiaries of deceased members or deceased retirees retired  
27      from an employer participating in the Employees' Retirement

1 System pursuant to Sections 36-27-6, 36-27-7, or 36-27-7.1,  
2 Code of Alabama 1975, if the date of death for the deceased  
3 member or the effective date of retirement for the deceased  
4 retiree for purposes of receiving benefits from the Employees'  
5 Retirement System was prior to October 1, 2020, and if the  
6 beneficiary is receiving or is eligible to receive a monthly  
7 allowance from the Employees' Retirement System on September  
8 30, 2020, shall receive a lump-sum bonus of three hundred  
9 dollars (\$300).

10 Section 3. (a) Any retired pensioner or annuitant  
11 who retired from a city, town, county, or public or  
12 quasi-public organization of the state before the city, town,  
13 county, or public or quasi-public organization of the state  
14 became a member of the Employees' Retirement System, and who  
15 is receiving or is entitled to receive a monthly allowance  
16 from the Employees' Retirement System on September 30, 2020,  
17 shall receive the lump-sum bonus stipulated in subsections (a)  
18 and (b) of Section 1, provided the employer elects to come  
19 under this act. Any employer making the election to come under  
20 this act shall bear the cost of the lump-sum bonus paid to its  
21 retirees pursuant to this section and provide the Employees'  
22 Retirement System with the number of years of creditable  
23 service earned by each of its eligible annuitants and  
24 pensioners.

25 (b) Beneficiaries of Employees' Retirement System  
26 pensioners or annuitants described in subsection (a) shall  
27 receive a lump-sum bonus of three hundred dollars (\$300),

1 provided the date of death for the deceased pensioner or  
2 annuitant or the effective date of retirement for the deceased  
3 pensioner or annuitant was prior to October 1, 2020, and the  
4 beneficiary is receiving or is entitled to receive a monthly  
5 allowance from the Employees' Retirement System on September  
6 30, 2020, and the local unit elects to fund the lump-sum bonus  
7 of three hundred dollars (\$300) and provides the Employees'  
8 Retirement System with the number of years of creditable  
9 service earned by each of its eligible annuitants and  
10 pensioners.

11 Section 4. Any pensioner or annuitant who retired  
12 from a city, town, county, or public or quasi-public  
13 organization of the state before the city, town, county, or  
14 public or quasi-public organization of the state became a  
15 member of the Employees' Retirement System and is receiving a  
16 monthly benefit on September 30, 2020, not administered by the  
17 Employees' Retirement System may receive the lump-sum bonus  
18 stipulated in subsection (a) and (b) of Section 1, provided  
19 the retired employee retired prior to October 1, 2020, and the  
20 employer decides to come under this act and fund the lump-sum  
21 bonus. The Employees' Retirement System shall not make  
22 payments to these pensioners or annuitants. The employer shall  
23 make payments to its pensioners and annuitants under this  
24 section.

25 Section 5. The Board of Control of the Employees'  
26 Retirement System shall make all reasonable efforts to notify  
27 any employer who participated in the Employees' Retirement

1 System and has withdrawn from participation by the effective  
2 date of this act that the lump-sum bonus stipulated in Section  
3 1 is available to their retirees and beneficiaries provided  
4 the employer elects the lump-sum bonus.

5 Section 6. Any person who received benefits under  
6 the Medicaid program and whose eligibility for Medicaid  
7 benefits would be impaired by the lump-sum bonus provided by  
8 this act shall not be entitled to receive the aforementioned  
9 increase. Any person who subsequently applies for benefits  
10 under the Medicaid program and that person's eligibility to  
11 receive benefits is impaired by the lump-sum bonus provided by  
12 this act shall not be entitled to receive the increase  
13 subsequent to the date that the member files application for  
14 benefits under the Medicaid program.

15 Section 7. The Board of Control of the Employees'  
16 Retirement System shall determine the amount required in order  
17 to pay the cost of the lump-sum bonus provided under this act  
18 and shall notify the chief fiscal officer of each employer of  
19 the increases in the employer rate required to be paid to the  
20 system. For the fiscal year beginning October 1, 2021, only,  
21 each employer shall pay the increase in the employer rate in  
22 the same manner and from the same source of funds as salaries  
23 of active members are paid.

24 Section 8. The lump-sum bonuses provided under this  
25 act shall be paid to all eligible recipients by the Employees'  
26 Retirement System in December 2020.

1                   Section 9. This act shall become effective  
2 immediately following its passage and approval by the  
3 Governor, or its otherwise becoming law.