HB200

By Representative Hubbard (J)

RFD: Ways and Means General Fund

First Read: 07-FEB-13
SYNOPSIS: This bill would provide a cost-of-living increase to certain retirees and beneficiaries under the Employees' Retirement System for the fiscal year beginning October 1, 2013, for the fiscal year beginning October 1, 2014, and for the fiscal year beginning October 1, 2015.

A BILL TO BE ENTITLED
AN ACT

To provide a cost-of-living increase to certain retirees and beneficiaries under the Employees' Retirement System for the fiscal year beginning October 1, 2013, for the fiscal year beginning October 1, 2014, and for the fiscal year beginning October 1, 2015.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) Commencing October 1, 2013, each person, except those whose employer participated in the Employees' Retirement System pursuant to Sections 36-27-6,
36-27-7, and 36-27-7.1, Code of Alabama 1975, whose effective
date of retirement for purposes of receiving benefits from the
Employees' Retirement System is prior to October 1, 2012, and
who is receiving or is entitled to receive a monthly allowance
from the Employees' Retirement System, shall receive a
cost-of-living increase of five percent (5%) in their gross
monthly benefit.

(b) Beneficiaries of deceased members or deceased
retirees, except where the deceased member or deceased retiree
retired from an employer participating in the Employees'
Retirement System pursuant to Sections 36-27-6, 36-27-7, and
36-27-7.1, Code of Alabama 1975, 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
Employees' Retirement System was prior to October 1, 2012,
shall receive a cost-of-living increase of five percent (5%)
in their gross monthly benefit.

Section 2. (a) Commencing October 1, 2013, each
person whose employer participated in the Employees'
Retirement System pursuant to Section 36-27-6, Code of Alabama
1975, whose effective date of retirement for purposes of
receiving benefits from the Employees' Retirement System is
prior to October 1, 2012, and who is receiving or is entitled
to receive a monthly allowance from the Employees' Retirement
System, may receive a cost-of-living increase determined by
the provisions used in Section 1 of this act, if the employer
elects to come under this act. Any employer making the
election to come under the act shall bear the cost of the
cost-of-living increases paid to its employees pursuant to
this section. Any employer participating under Section
36-27-6, Code of Alabama 1975, may elect to come under this
act at anytime and have the act become effective on October 1,
2013, or on October 1 of any subsequent fiscal year and the
employer shall not be required to pay his or her
cost-of-living increase retroactively unless the employer
elects to fund the increase.

(b) If the employer elects to come under this act,
beneficiaries of deceased members or deceased retirees retired
from an employer participating in the Employees' Retirement
System pursuant to Section 36-27-6, Code of Alabama 1975,
shall receive the same cost-of-living increase provided in
Section 1 of this act.

Section 3. Commencing October 1, 2013, each person
whose employer participated in the Employees' Retirement
System pursuant to Sections 36-27-7 and 36-27-7.1, Code of
Alabama 1975, whose effective date of retirement for purposes
of receiving benefits from the Employees' Retirement System is
prior to October 1, 2012, and who is receiving a monthly
allowance or is eligible to receive a monthly allowance from
the Employees' Retirement System, shall receive a
cost-of-living increase as described in Section 1 of this act.
Beneficiaries of deceased members or deceased retirees of
employers participating in the Employees' Retirement System
pursuant to Sections 36-27-7 and 36-27-7.1, Code of Alabama
1975, shall receive a cost-of-living increase of five percent (5%) in their gross monthly benefit.

Section 4. The Board of Control of the Employees' Retirement System shall determine annually the amount required to pay the cost of the increased allowance provided under the provisions of this act, and shall notify the chief fiscal officer of each employer of the per centum rates of earnable compensation of the members required to be paid to the retirement system. Each employer of members of the Employees' Retirement System shall pay on account of the increases provided under the provisions of this act in the same manner and from the same source of funds as provided in Sections 36-27-7 and 36-27-24, Code of Alabama 1975, it being the intent of the Legislature that the cost of providing the increases under the provisions of this act shall be determined from all funds in proportion to the salaries paid therefrom for active members.

Section 5. (a) Commencing October 1, 2013, any retired employee who retired from a city, town, county, or public or quasi-public organization of the state before the city, town, county, or public or quasi-public organization of the state became a member of the Employees' Retirement System, and who is receiving a monthly benefit prior to October 1, 2012, administered by the Employees' Retirement System may receive an increase in benefits of five percent (5%), provided the retired employee retired prior to October 1, 2012, and the
employer decides to come under the provisions of this act and
fund the increase.

(b) Commencing October 1, 2013, beneficiaries of
Employees' Retirement System pensioners shall receive an
increase of five percent (5%) of their gross monthly benefit,
provided the date of death for the deceased pensioner, or the
effective date of retirement for the deceased pensioner was
prior to October 1, 2012, and the local units elect to fund
the increase.

Section 6. Commencing October 1, 2013, any pensioner
or annuitant who retired prior to October 1, 2012, from a
city, town, county, or public or quasi-public organization of
the state before the city, town, county, or public or
quasi-public organization of the state became a member of the
Employees' Retirement System and is receiving a monthly
benefit not administered by the Employees' Retirement System
shall receive an increase of five percent (5%) of their gross
monthly benefit, provided the city, town, county, or public or
quasi-public organization of the state elects to fund and pay
the increase.

Section 7. The Board of Control of the Employees'
Retirement System shall make all reasonable efforts to notify
any employer who participated in the Employees' Retirement
System and has withdrawn from participation by the effective
date of this act that the cost-of-living increase provided for
under the provisions of this act is available to their
retirees and beneficiaries provided the employer elects to fund the increase.

Section 8. Commencing October 1, 2013, there is provided a cost-of-living adjustment (COLA) of five percent (5%) of the current gross benefit to certain persons identified in this section who are currently receiving benefits whose effective date of retirement was prior to October 1, 2012, for purposes of receiving benefits from the Employees' Retirement System, and to certain beneficiaries of deceased members and deceased retirees who are currently receiving survivor benefits if the effective date of retirement or death for the deceased member or retiree was prior to October 1, 2012, for purposes of receiving benefits from the Employees' Retirement System. The benefits provided in this section are limited to those retirees whose participation in the Employees' Retirement System was based on Section 36-27-6, Code of Alabama 1975, and whose employer at the time of retirement was a local board of education or a state-supported institution of higher education. The benefits granted in this section shall not apply to any other participants in the Employees' Retirement System.

Section 9. Any person who received benefits under the Medicaid Program and whose eligibility for Medicaid benefits would be impaired by the cost-of-living increase provided to retirees and beneficiaries by this act 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 cost-of-living increase provided to retirees and beneficiaries by this act, shall not be entitled to receive the increase subsequent to the date that the member files application for benefits under the Medicaid Program.

Section 10. (a) Commencing October 1, 2014, each person, except those whose employer participated in the Employees' Retirement System pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama 1975, whose effective date of retirement for purposes of receiving benefits from the Employees' Retirement System is prior to October 1, 2013, and who is receiving or is entitled to receive a monthly allowance from the Employees' Retirement System, shall receive the cost-of-living increase of two and one-half percent (2.5%) in his or her gross monthly benefit.

(b) Beneficiaries of deceased members or deceased retirees, except where the deceased member or deceased retiree retired from an employer participating in the Employees' Retirement System pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama 1975, 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 Employees' Retirement System was prior to October 1, 2013, shall receive the cost-of-living increase of two and one-half percent (2.5%) in their gross monthly benefit.

Section 11. (a) Commencing October 1, 2014, each person whose employer participated in the Employees'
Retirement System pursuant to Section 36-27-6, Code of Alabama 1975, whose effective date of retirement for purposes of receiving benefits from the Employees' Retirement System is prior to October 1, 2013, and who is receiving or is entitled to receive a monthly allowance from the Employees' Retirement System, may receive a cost-of-living increase determined by the provisions used in Section 10 of this act, if the employer elects to come under this act. Any employer making the election to come under the act shall bear the cost of the cost-of-living increases paid to its employees pursuant to this section. Any employer participating under Section 36-27-6, Code of Alabama 1975, may elect to come under this act at any time and have the act become effective on October 1, 2014, or on October 1 of any subsequent fiscal year and the employer shall not be required to pay the cost-of-living increase retroactively unless the employer elects to fund the increase.

(b) If the employer elects to come under this act, beneficiaries of deceased members or deceased retirees retired from an employer participating in the Employees' Retirement System pursuant to Section 36-27-6, Code of Alabama 1975, shall receive the same cost-of-living increase provided in Section 10 of this act.

Section 12. Commencing October 1, 2014, each person whose employer participated in the Employees' Retirement System pursuant to Sections 36-27-7 and 36-27-7.1, Code of Alabama 1975, whose effective date of retirement for purposes
of receiving benefits from the Employees' Retirement System is
prior to October 1, 2013, and who is receiving a monthly
allowance or is eligible to receive a monthly allowance from
the Employees' Retirement System, shall receive a
cost-of-living increase as described in Section 10 of this
act. Beneficiaries of deceased members or deceased retirees of
employers participating in the Employees' Retirement System
pursuant to Sections 36-27-7 and 36-27-7.1, Code of Alabama
1975, shall receive the cost-of-living increase of two and
one-half percent (2.5%) in their gross monthly benefit.

Section 13. The Board of Control of the Employees'
Retirement System shall determine annually the amount required
to pay the cost of the increased allowance provided under the
provisions of this act, and shall notify the chief fiscal
officer of each employer of the per centum rates of earnable
compensation of the members required to be paid to the
retirement systems. Each employer of members of the Employees'
Retirement System shall pay on account of the increases
provided under the provisions of this act in the same manner
and from the same source of funds as provided in Sections
36-27-7 and 36-27-24, Code of Alabama 1975, it being the
intent of the Legislature that the cost of providing the
increases under the provisions of this act shall be determined
from all funds in proportion to the salaries paid therefrom
for active members.

Section 14. (a) Commencing October 1, 2014, any
retired employee who retired from a city, town, county, or
public or quasi-public organization of the state before the
city, town, county, or public or quasi-public organization of
the state became a member of the Employees' Retirement System,
and who is receiving a monthly benefit prior to October 1,
2013, administered by the Employees' Retirement System may
receive the cost-of-living increase of two and one-half
percent (2.5%) in his or her gross monthly benefit, provided
the retired employee retired prior to October 1, 2013, and the
employer decides to come under the provisions of this act and
fund the increase.

(b) Commencing October 1, 2014, beneficiaries of
Employees' Retirement System pensioners shall receive the
cost-of-living increase of two and one-half percent (2.5%) in
their gross monthly benefit. The increases shall be granted
provided that the date of death for the deceased pensioner, or
the effective date of retirement for the deceased pensioner
was prior to October 1, 2013, and the local units elect to
fund the increase.

Section 15. Commencing October 1, 2014, any
pensioner or annuitant who retired prior to October 1, 2013,
from a city, town, county, or public or quasi-public
organization of the state before the city, town, county, or
public or quasi-public organization of the state became a
member of the Employees' Retirement System and is receiving a
monthly benefit not administered by the Employees' Retirement
System shall receive the cost-of-living increase of two and
one-half percent (2.5%) in his or her gross monthly benefit.
The increase shall be granted provided the city, town, county, or public or quasi-public organization of the state elects to fund and pay the increase.

Section 16. The Board of Control of the Employees' Retirement System shall make all reasonable efforts to notify any employer who participated in the Employees' Retirement System and has withdrawn from participation by the effective date of this act that the cost-of-living increase provided for under the provisions of this act is available to his or her retirees and beneficiaries provided the employer elects to fund the increase.

Section 17. Commencing October 1, 2014, there is provided a cost-of-living adjustment (COLA) of two and one-half percent (2.5%) of the current gross benefit to certain persons identified in this section who are currently receiving benefits whose effective date of retirement was prior to October 1, 2013, for purposes of receiving benefits from the Employees' Retirement System, and to certain beneficiaries of deceased members and deceased retirees who are currently receiving survivor benefits if the effective date of retirement or death for the deceased member or retiree was prior to October 1, 2013, for purposes of receiving benefits from the Employees' Retirement System. The benefits provided in this subsection are limited to those retirees whose participation in the Employees' Retirement System was based on Section 36-27-6, Code of Alabama 1975, and whose employer at the time of retirement was a local board of
education or a state-supported institution of higher education. The benefits granted in this subsection shall not apply to any other participants in the Employees' Retirement System.

Section 18. Any person who received benefits under the Medicaid Program and whose eligibility for Medicaid benefits would be impaired by the cost-of-living increase provided by this act 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 cost-of-living increase provided by this act, shall not be entitled to receive the increase subsequent to the date that the member files application for benefits under the Medicaid Program.

Section 19. (a) Commencing October 1, 2015, each person, except those whose employer participated in the Employees' Retirement System pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama 1975, whose effective date of retirement for purposes of receiving benefits from the Employees' Retirement System is prior to October 1, 2014, and who is receiving or is entitled to receive a monthly allowance from the Employees' Retirement System, shall receive the cost-of-living increase of two and one-half percent (2.5%) in his or her gross monthly benefit.

(b) Beneficiaries of deceased members or deceased retirees, except where the deceased member or deceased retiree
retired from an employer participating in the Employees'
Retirement System pursuant to Sections 36-27-6, 36-27-7, and
36-27-7.1, Code of Alabama 1975, 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
Employees' Retirement System was prior to October 1, 2014,
shall receive the cost-of-living increase of two and one-half
percent (2.5%) in their gross monthly benefit.

Section 20. (a) Commencing October 1, 2015, each
person whose employer participated in the Employees'
Retirement System pursuant to Section 36-27-6, Code of Alabama
1975, whose effective date of retirement for purposes of
receiving benefits from the Employees' Retirement System is
prior to October 1, 2014, and who is receiving or is entitled
to receive a monthly allowance from the Employees' Retirement
System, may receive a cost-of-living increase determined by
the provisions used in Section 19 of this act, if the employer
elects to come under this act. Any employer making the
election to come under the act shall bear the cost of the
cost-of-living increases paid to its employees pursuant to
this section. Any employer participating under Section
36-27-6, Code of Alabama 1975, may elect to come under this
act at any time and have the act become effective on October
1, 2015, or on October 1 of any subsequent fiscal year and the
employer shall not be required to pay the cost-of-living
increase retroactively unless the employer elects to fund the
increase.
(b) If the employer elects to come under this act, beneficiaries of deceased members or deceased retirees retired from an employer participating in the Employees' Retirement System pursuant to Section 36-27-6, Code of Alabama 1975, shall receive the same cost-of-living increase provided in Section 19 of this act.

Section 21. Commencing October 1, 2015, each person whose employer participated in the Employees' Retirement System pursuant to Sections 36-27-7 and 36-27-7.1, Code of Alabama 1975, whose effective date of retirement for purposes of receiving benefits from the Employees' Retirement System is prior to October 1, 2014, and who is receiving a monthly allowance or is eligible to receive a monthly allowance from the Employees' Retirement System, shall receive a cost-of-living increase as described in Section 19 of this act. Beneficiaries of deceased members or deceased retirees of employers participating in the Employees' Retirement System pursuant to Sections 36-27-7 and 36-27-7.1, Code of Alabama 1975, shall receive the cost-of-living increase of two and one-half percent (2.5%) in their gross monthly benefit.

Section 22. The Board of Control of the Employees' Retirement System shall determine annually the amount required to pay the cost of the increased allowance provided under the provisions of this act, and shall notify the chief fiscal officer of each employer of the per centum rates of earnable compensation of the members required to be paid to the retirement systems. Each employer of members of the Employees'
Retirement System shall pay on account of the increases provided under the provisions of this act in the same manner and from the same source of funds as provided in Sections 36-27-7 and 36-27-24, Code of Alabama 1975, it being the intent of the Legislature that the cost of providing the increases under the provisions of this act shall be determined from all funds in proportion to the salaries paid therefrom for active members.

Section 23. (a) Commencing October 1, 2015, any retired employee who retired from a city, town, county, or public or quasi-public organization of the state before the city, town, county, or public or quasi-public organization of the state became a member of the Employees' Retirement System, and who is receiving a monthly benefit prior to October 1, 2014, administered by the Employees' Retirement System may receive the cost-of-living increase of two and one-half percent (2.5%) in his or her gross monthly benefit, provided the retired employee retired prior to October 1, 2014, and the employer decides to come under the provisions of this act and fund the increase.

(b) Commencing October 1, 2015, beneficiaries of Employees' Retirement System pensioners shall receive the cost-of-living increase of two and one-half percent (2.5%) in their gross monthly benefit. The increases shall be granted provided that the date of death for the deceased pensioner, or the effective date of retirement for the deceased pensioner
was prior to October 1, 2014, and the local units elect to
fund the increase.

Section 24. Commencing October 1, 2015, any
pensioner or annuitant who retired prior to October 1, 2014,
from a city, town, county, or public or quasi-public
organization of the state before the city, town, county, or
public or quasi-public organization of the state became a
member of the Employees' Retirement System and is receiving a
monthly benefit not administered by the Employees' Retirement
System shall receive the cost-of-living increase of two and
one-half percent (2.5%) in his or her gross monthly benefit.
The increase shall be granted provided the city, town, county,
or public or quasi-public organization of the state elects to
fund and pay the increase.

Section 25. The Board of Control of the Employees'
Retirement System shall make all reasonable efforts to notify
any employer who participated in the Employees' Retirement
System and has withdrawn from participation by the effective
date of this act that the cost-of-living increase provided for
under the provisions of this act is available to his or her
retirees and beneficiaries provided the employer elects to
fund the increase.

Section 26. Commencing October 1, 2015, there is
provided a cost-of-living adjustment (COLA) of two and
one-half percent (2.5%) of the current gross benefit to
certain persons identified in this section who are currently
receiving benefits whose effective date of retirement was
prior to October 1, 2014, for purposes of receiving benefits from the Employees' Retirement System, and to certain beneficiaries of deceased members and deceased retirees who are currently receiving survivor benefits if the effective date of retirement or death for the deceased member or retiree was prior to October 1, 2014, for purposes of receiving benefits from the Employees' Retirement System. The benefits provided in this subsection are limited to those retirees whose participation in the Employees' Retirement System was based on Section 36-27-6, Code of Alabama 1975, and whose employer at the time of retirement was a local board of education or a state-supported institution of higher education. The benefits granted in this subsection shall not apply to any other participants in the Employees' Retirement System.

Section 27. Any person who received benefits under the Medicaid Program and whose eligibility for Medicaid benefits would be impaired by the cost-of-living increase provided by this act 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 cost-of-living increase provided by this act, shall not be entitled to receive the increase subsequent to the date that the member files application for benefits under the Medicaid Program.
Section 28. All laws or parts of laws which conflict with this act are repealed.

Section 29. The provisions of this act are severable. If any part of this act is declared invalid or unconstitutional, that declaration shall not affect the part which remains.

Section 30. This act shall become effective immediately following its passage and approval by the Governor, or its otherwise becoming law.