

1 SB3
2 178139-1
3 By Senators Dial, Holley, McClendon, Livingston, Whatley and
4 Ward
5 RFD: Finance and Taxation Education
6 First Read: 07-FEB-17
7 PFD: 05/25/2016

2
3
4
5
6
7
8 SYNOPSIS: Under existing law, there is no provision
9 for retirees and beneficiaries receiving monthly
10 benefits from the Teachers' Retirement System (TRS)
11 to receive a funded one-time lump-sum addition to
12 their retirement allowances. This bill would
13 provide such a payment to certain retirees and
14 beneficiaries under the TRS.

15
16 A BILL
17 TO BE ENTITLED
18 AN ACT

19
20 Relating to retirement; to provide for a funded
21 one-time lump-sum addition to the retirement benefits of
22 certain retirees and beneficiaries of the Teachers' Retirement
23 System.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. (a) There is hereby provided for fiscal
26 year 2017-2018 a funded one-time lump-sum payment, hereinafter
27 referred to as "lump-sum payment," to each person whose

1 effective date of retirement for purposes of receiving
2 benefits from the Teachers' Retirement System is prior to
3 October 1, 2016, and who is receiving or is entitled to
4 receive a monthly allowance from the Teachers' Retirement
5 System on September 30, 2017.

6 (b) The formula for calculating the lump-sum payment
7 shall be two dollars (\$2) per month for each year of service
8 attained by the retiree or \$300.00, whichever is greater.

9 (c) Beneficiaries of deceased members or deceased
10 retirees, if the date of death for the deceased member, or the
11 effective date of retirement for the deceased retiree for
12 purposes of receiving benefits from the Teachers' Retirement
13 System was prior to October 1, 2016, and if the beneficiary is
14 receiving or is entitled to receive a monthly allowance from
15 the Teachers' Retirement System on September 30, 2017, shall
16 receive a lump-sum payment of \$300.00.

17 (d) There is hereby provided for fiscal year
18 2017-2018 a funded one-time lump-sum payment to certain
19 persons identified in subsection (e) herein, whose effective
20 date of retirement for purposes of receiving benefits from the
21 Employees' Retirement System is prior to October 1, 2016, and
22 who is receiving or is entitled to receive a monthly allowance
23 from the Employees' Retirement System on September 30, 2017.

24 (e) For purposes of this section, service includes
25 the service under Section 16-25-1 and Section 16-25-150 et
26 seq., Code of Alabama 1975.

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

11 (g) There is hereby appropriated from the Education
12 Trust Fund to the Teachers' Retirement System of Alabama
13 \$_____ for the fiscal year beginning October 1, 2017, or such
14 amounts as are necessary to carry out the provisions of this
15 section as it relates to the Teachers' Retirement System. Such
16 appropriation shall be paid in full to the Teachers'
17 Retirement System by October 31, 2017.

18 (h) The lump-sum payments provided under this
19 section shall be paid to all eligible recipients by the
20 Teachers' Retirement System in December 2017.

21 Section 2. This act shall become effective
22 immediately following its passage and approval by the
23 Governor, or its otherwise becoming law.