

Retirement Systems of Alabama Update

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ERS Retiree Bonus

Act 2022-229 (SB111)

- Granted a \$2 per month of service bonus to ERS state retirees and for ERS local retirees if adopted by local government.
- Paid out in April to ERS state retirees.
- County Commissions may elect to provide the bonus to county retirees by adopting a resolution on or before August 31, 2022.
- If a resolution is adopted, ERS will pay the bonus in October 2022.
- The bonus can be funded by a lump sum payment to ERS or by a one-time increase in the employer contribution rate in FY24.

Surviving Spouse Option Change

Act 2022-184 (HB155)

- Currently, a designated beneficiary of a retirement eligible member who dies in active service may receive either:
 - a lump sum benefit consisting of the member's contributions with interest and an amount equal to the member's salary for the prior plan year; OR
 - the Option 3 monthly benefit (50% of the member's retirement benefit).
- Act 2022-184 will allow a designated beneficiary who is a surviving spouse of a retirement eligible member who dies in active service to receive the Option 2 monthly benefit (100% of the member's retirement benefit).

ERS Local Tier I Election Deadline

Act 2022-348 (HB346)

- This Act removes the deadline for local governments to elect to provide Tier I benefits to Tier II employees.
- 58 of 66 participating counties have made the election.

ERS Tier II 30-Year Retirement

Act 2022-351 (HB308)

- This Act modifies ERS Tier II to allow 30-year retirement with an early retirement penalty of 2% for every year the member is below the retirement age of 62.
- There is no member contribution rate increase.
- This change will not impact Tier II members of counties who have elected to provide Tier I benefits to Tier II employees.

QUESTIONS?

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