
DIGEST

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HB 46 Original

2016 Regular Session

Ivey

Abstract: Requires members of state retirement systems whose first date of employment making them eligible for membership in a state retirement system occurred on or after July 1, 2017, to equally share the cost of certain elements of their retirement benefit with their employer.

Present constitution (Art. X, Sec. 29(A) and (B)) authorizes the legislature to establish retirement systems for state employees and employees of political subdivisions. Further provides that membership in such a system is a contractual relationship between the employee and the employer. Proposed constitutional amendment retains present constitution.

Present constitution (Art. X, Sec. 29(E)(2)(a)) requires that after the Unfunded Accrued Liability of the retirement systems that existed as of June 30, 1988, is paid off, members of state retirement systems shall not be required to pay more to the retirement system than the employer is paying on their behalf. Proposed constitutional amendment retains present constitution.

Proposed constitutional amendment requires that for any state system member whose first employment making him eligible for membership in a state retirement system occurred on or after July 1, 2017, the normal cost of the member's benefit and any unfunded accrued liability associated with a benefit expansion during the member's period of active service shall be shared equally between the employer and the new member.

Proposed constitutional amendment further provides that the provisions of proposed constitutional amendment shall not apply to permanent benefit increases (COLAs).

Provides for submission of the proposed amendment to the voters at the statewide election to be held November 8, 2016.

(Adds Art. X, §29(H))