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THE RETIREMENT SYSTEMS OF ALABAMA

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Unit Code FOL

June 27, 2017

Act 2017-367 of the Regular Session of the Alabama Legislature provides your agency with the opportunity to grant a one-time lump sum payment to retired members and beneficiaries of deceased retirees who retired prior to May 1, 2017 and are entitled to receive a monthly retirement benefit from the Employees' Retirement System (ERS) on November 30, 2017.

The Act provides for the retiree to receive a one-time lump sum payment of \$2.00 for each month of service credited to the retiree's account or \$300.00, whichever is greater. The Act provides for a beneficiary of a deceased retiree to receive \$300.00. Payment will be made by check in December 2017 separate from the monthly retirement direct deposit.

If your agency elects to grant the 2017 one-time lump sum payment, your estimated cost is **\$23,846.00** which will require **0.20%** to be added to your agency's employer contribution rate effective for the one year period from **October 1, 2018 – September 30, 2019**, or you may submit a onetime lump sum payment remitted with the resolution to cover the cost.

To grant the provisions of Act 2017-367 for retirees and beneficiaries of your agency, the governing authority of your agency must adopt and submit a Resolution. A fillable form Resolution can be found on the RSA website at http://www.rsa-al.gov/uploads/files/2017_Lump_Sum_Resolution_Retiree.pdf. **The Resolution to adopt the provisions of Act 2017-367 must be received by ERS no later than October 31, 2017.** Please note that there is no provision that will allow the one-time lump sum payment to be granted retroactively.

Any retiree or beneficiary whose eligibility for Medicaid benefits is impaired by this payment shall not be entitled to receive the payment and should notify this office to request that the increase not be granted.

If you have any questions regarding the implementation of the provisions of Act 2017-367, please contact my office at (334) 517-7000 or 1-877-517-0020.

Sincerely,

William F. Kelley, Jr.
Director of ERS Benefits