

RESOLUTION--ACT 2014-429

(Local Unit Retirees and Beneficiaries of Deceased Retirees)

Be it resolved that the City of Foley, through its governing authority, elects to come under the provisions of Section 2 of Act 429 of the Regular Session of the 2014 Legislature.

The City of Foley agrees to provide all funds necessary to the Employees' Retirement System to cover the cost of the one-time lump sum payment as provided for by this Act for those eligible retirees and beneficiaries of deceased retirees of City of Foley with the aforementioned lump sum payment being paid in October 2014.

CERTIFICATION

I, John Koniar, Mayor, City of Foley, hereby certify that the foregoing is a true and correct copy of the Resolution passed on this 21st day of July, 2014.

Signature of Official

Official Title

Teachers
Sarah S. Swindle, Chair
Susan W. Brown, Vice Chair



Employees
State State Police Public Judicial
Robert J. Bentley, Chair
Jacqueline B. Graham, Vice Chair

THE RETIREMENT SYSTEMS OF ALABAMA

David G. Bronner, CEO
Donald L. Yancey, Deputy Director

Agency Director
Foley
Po Box 1750
Foley AL 36536

FOL

May 23, 2014

Act 2014-429 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 October 1, 2013 and are entitled to receive a monthly retirement benefit from the Employees' Retirement System (ERS) on September 30, 2014.

The Act provides for the retiree to receive a one-time lump sum payment of \$2.00 per month for each year 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 in October 2014 separate from the monthly retirement payment.

If your agency elects to grant the 2014 one-time lump sum payment, your estimated cost is **\$ 15,103.00** which will require **0.14 %** to be added to your agency's employer contribution rate effective for the one year period from **October 1, 2015 – September 30, 2016**.

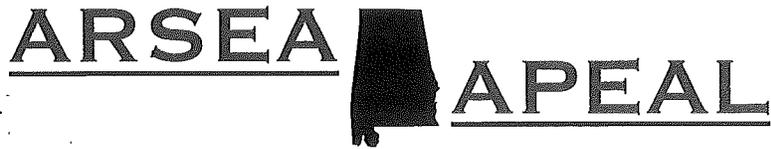
To grant the provisions of Act 2014-429 for retirees and beneficiaries of your agency, the governing authority of your agency must adopt and submit a Resolution. A fillable form Resolution can be found on the RSA website at http://www.rsa-al.gov/uploads/files/2014_Lump_Sum_Resolution_Retiree.pdf. **The Resolution to adopt the provisions of Act 2014-429 must be received by ERS no later than August 31, 2014.** 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 2014-429, please contact my office at (334) 517-7000 or 1-877-517-0020.

Sincerely,

William E. Paul
Retirement Executive



ALABAMA RETIRED STATE EMPLOYEES' ASSOCIATION | ALABAMA PUBLIC EMPLOYEES' ADVOCACY LEAGUE

MEMORANDUM

TO: City of Foley
FROM: Liane Kelly
DATE: May 16, 2014
RE: Retiree Bonus Authorization (ACT 2014-429)

ARSEA/APEAL recently participated in the Alabama League of Municipalities (ALM) Annual Convention held in Mobile, May 4-6, 2014. As always, the ALM provided a successful event that our association was once again proud to be affiliated with.

Although our staff was able to visit with many attendees throughout the course of the meeting, we know there were some we unfortunately missed. Because of that, we wanted to be sure each city received a copy of the enclosed time-sensitive information regarding our recently passed legislation that authorizes a one-time bonus payment for your retirees.

On behalf of our 20,500 state and local government retirees, I urge you to give your most serious consideration to providing this small and non-recurring bonus to your retirees and beneficiaries.

We are happy to answer any questions you might have regarding the steps necessary to fund this bonus. Please call our office at 800-844-7732.



ALABAMA RETIRED STATE EMPLOYEES' ASSOCIATION | ALABAMA PUBLIC EMPLOYEES' ADVOCACY LEAGUE

Attn: City of Foley

Having been signed into law, Act #2014-429 authorizes cities participating in the Employees' Retirement System of Alabama to fund a one-time bonus for their retirees.

Using a sliding scale formula and based upon length of creditable service (\$2.00 a month x 12 months x years of service) retirees with 25 years of service, for example, would receive a bonus of \$600. Included in the legislation is a provision for those with less than 25 years, providing a minimum payment of \$300.

The importance of even this small, one-time addition to the benefits of your retirees can hardly be overstated.

There is a short window of opportunity for the cities to approve the funding for this bonus. Unlike traditional cost of living adjustments (COLAs), the bonus cannot be approved in subsequent years. If not granted in 2014, it goes away forever. With that in mind, the following estimated cost of funding this one-time lump sum bonus is being provided to you now:

\$ 13,984

Per our legislation, RSA will pay the bonus in October for those cities opting to grant it. RSA will then recoup the cost by adding it to each participating local cities' monthly employer contribution, beginning October 1, 2015. *(RSA will soon provide the actual cost and steps necessary to fund this bonus.)* If you have any questions please contact us at 334-834-9116.

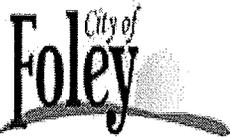
Sandra Pate

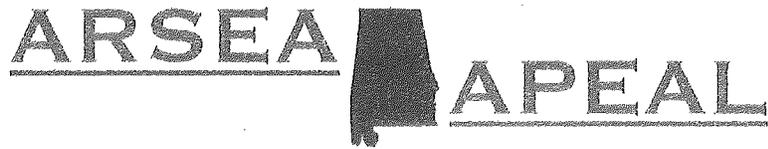
From: Sandra Pate [spate@cityoffoley.org]
Sent: Thursday, May 08, 2014 4:56 PM
To: 'retire@arsea.org'
Subject: Retiree Bonus

Lauren Hodge, In response to your recent correspondence requesting a contact person with regard to further information on the RSA retirement bonus, you may send any information to me at the contact information below. Thank you.

Sandra Pate

*Assistant City Administrator/HR Director
City of Foley, PO Box 1750, Foley, AL 36536
251-943-1545 or spate@cityoffoley.org
<http://www.cityoffoley.org>*





ALABAMA RETIRED STATE EMPLOYEES' ASSOCIATION | ALABAMA PUBLIC EMPLOYEES' ADVOCACY LEAGUE

City of Foley

ARSEA/APEAL worked hard to secure a retirement bonus this year and we are happy to say we were successful in our effort.

Having been signed into law, Act #2014-429 authorizes cities, counties and public boards participating in the Employees' Retirement Systems of Alabama to fund bonuses to local government retirees.

Using a sliding scale formula and based upon length of creditable service - \$2.00 a month x 12 months x years of service, retirees with 25 years of service, for example, would receive a bonus of \$600. Included in the legislation is a provision for those with less than 25 years, providing a minimum payment of \$300.

The importance of even this small, one-time addition to the benefits of your retirees can hardly be overstated.

There is a short window of opportunity for the City of Foley to approve the funding for this bonus. Unlike traditional cost of living adjustments (COLAs), the bonus cannot be approved in subsequent years. If not granted in 2014, it goes away forever. With that in mind, the following estimated cost of funding this one-time lump sum bonus is being provided to you now:

\$13,984.00

Per our legislation, RSA will pay the bonus in October for those local agencies opting to grant it. It will then recoup the cost by adding it to each participating local agency's monthly employer contribution, spread over the remaining nine months of the fiscal year. *(RSA will soon provide the actual cost and steps necessary for the City of Foley to fund this bonus).*

Please contact Lauren Hodge at retire@arsea.org with a name and contact information ARSEA/APEAL should use when contacting the City of Foley about the funding of this bonus.

On behalf of ARSEA's 20,500 state and local government retirees I urge you to give your most serious consideration to providing this small and non-recurring bonus to your retirees and beneficiaries.

FACTS ABOUT

ARSEA APEAL

- **ARSEA/APEAL is a 20,000-member statewide organization representing state, county, and municipal retirees and employees. All of our members receive benefits from the Retirement Systems of Alabama.**
- **Founded in 1980, ARSEA/APEAL is the largest association of its kind in the Southeast and actively represents retiree and employees in the Alabama State House, as well as city halls and county courthouses on matters that affect their pension, health insurance and other retirement benefits.**
- **ARSEA/APEAL is governed by a 33 member, voluntary board of directors elected by the membership.**
- **Headquartered in Montgomery, our staff of 8 led by Executive Director Liane Kelly works to constantly serve its membership through legislation, information, representation, advocacy, education and special events, alongside board members and an experienced network of local leaders.**
- **Our Friends of Retirees/Employees Political Action Committee (FOREPAC) actively participates in legislative, county and municipal elections. FOREPAC supports candidates who have demonstrated knowledge of and support for the issues that retirees and employees face.**
- **Two representatives on the Retirement Systems of Alabama ERS Board of Control and two on the State Employees' Health Insurance Board (SEIB) are all ARSEA/APEAL members. We believe that protecting the financial security and fiscal future of the Retirement Systems of Alabama is vital, but we also believe that all promises made to employees during their working years should be kept during their retirement years.**
- **Our association successfully convinced the Legislature to award retiree cost-of-living adjustments 13 times and bonuses three times, most recently in the 2014 Legislative Session, in our 34 year history. We continue to work diligently to preserve the benefits our members earned**
- **ARSEA/APEAL has no affiliation with the Alabama State Employees' Association (ASEA). We are two separate groups with distinct missions and different constituencies.**

*For more information on ARSEA/APEAL, please contact
Assistant Executive Director Lauren Hodge at 800-844-7732, 334-834-9116 or
lhodge@arsea.org*