

1 SB223  
2 111753-1  
3 By Senator Sanders  
4 RFD: Finance and Taxation Education  
5 First Read: 12-JAN-10

2  
3  
4  
5  
6  
7  
8 SYNOPSIS: This bill would provide that public  
9 education employees who retire on disability would  
10 be subject to certain reduced employer  
11 contributions on health insurance unless the  
12 retiree is approved for federal Social Security  
13 Disability benefits.

14  
15 A BILL  
16 TO BE ENTITLED  
17 AN ACT

18  
19 Relating to retired public education employees, to  
20 amend Section 16-25A-8.1, Code of Alabama 1975, to provide  
21 that retirees who retire on disability are subject to reduced  
22 employer contributions for health insurance, unless the  
23 retiree is also approved for federal Social Security  
24 Disability benefits.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. Section 16-25A-8.1, Code of Alabama 1975,  
27 is amended to read as follows:

1                   "§16-25A-8.1.

2                   "The board shall set forth the employer contribution  
3 to the health insurance premium for each retiree class. For  
4 employees who retire ~~other than for disability~~ after September  
5 30, 2005, except for those who retire on disability and who  
6 are approved for Social Security Disability, the employer  
7 contribution of the health insurance premium set forth by the  
8 board for each retiree class shall be reduced by two percent  
9 for each year of service less than 25 and increased by two  
10 percent for each year of service over 25 subject to adjustment  
11 by the board for changes in Medicare premium costs required to  
12 be paid by a retiree. In no case shall the employer  
13 contribution of the health insurance premium exceed 100  
14 percent of the total health insurance premium cost for the  
15 retiree."

16                   Section 2. This act shall become effective  
17 immediately following its passage and approval by the  
18 Governor, or its otherwise becoming law.