

RESOLUTION NUMBER 02-18-2019-04

**A RESOLUTION IN SUPPORT OF 2019 LEGISLATION REGARDING
TIER I AND TIER II OF THE EMPLOYEE RETIREMENT SYSTEM
SIMILAR IN HOUSE BILL NUMBER 344 PROPOSED IN THE 2018
REGULAR SESSION OF THE ALABAMA LEGISLATURE**

WHEREAS, Section 36-27-605, *Code of Alabama, 1975* which separates all employees hired after January 1, 2013 into “Tier II” of Employee Retirement System (“ERS”); and

WHEREAS, the Tier I and II separation created by Section 36-27-605, *Code of Alabama, 1975*, has proven detrimental to the City in the need to retain employees as the Tier 2 retirement benefits are not attractive to younger/newer employees; and

WHEREAS, the City of Asj;amd has recognized the need for retainage and longevity of employees, especially Police and Fire Departments; and

WHEREAS, House Bill 344 was filed in the 2018 Regular Session of the Alabama Legislature which included, but is not limited to the following:

- Allowed municipalities to allow employees to change to Tier I benefits if the municipality passes a Resolution to allow said option; and
- If the municipalities elected to opt in, HB 344 provides Tier II employees under the ERS Tier I benefits when that employee is eligible to retire; and
- The cost of the change in benefits is covered by an increase in payroll contributions by the employee: General employees contribution will be 7.5% and public safety employees will pay 8.5%; and
- If the municipality elects to allow the opt in, the change will be made effective the next fiscal year following receipt by ERS; and
- Said opt in is irrevocable once accepted by the municipality; and

WHEREAS, a copy of proposed House Bill 344, 2018 Regular Session of the Alabama Legislature is marked as Exhibit A, attached to and incorporated into this Resolution Number 5123 as if written fully therein. The proposed Bill was passed the House during the 2018 Session, but failed in the Senate prior to the end of the Session; and

WHEREAS, proponents of the proposed House Bill 344 have expressed intentions of prefiling another Bill for the 2019 Regular Session of the Alabama Legislature which basically resembles HB 344; and

WHEREAS, the City Clerk/ Administrator has reviewed the information from personnel regarding proposed HB 344 and has recommended that the City support the passage of the legislation; and

WHEREAS, the Mayor and City Council have reviewed the proposed House Bill 344 from the 2018 Alabama Legislative Session and feel it is in the best public interest to support the passage of the legislation that will be pre-filed in the 2019 Legislative Session and join together to urge the legislators to stand in support of proposed legislation.

NOW, THEREFORE BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF ASHLAND, AS FOLLOWS:

1. The Mayor and City Council of the City of Ashland urges the congressional delegation to support all efforts to pass and enact proposed 2019 version of the previous Session House Bill 344 of the 2018 Legislative Session; and
2. This Resolution Number 02-18-2019-04 shall be signed and a copy filed with each Representative and Senator representing this district; and
3. This Resolution Number 02-18-2019-04 shall become effective immediately upon adoption and approval.

DONE, ORDERED, ADOPTED and APPROVED this the 18th day of February, 2019.

Mayor

Attest