**FOR STATEWIDE AMENDMENT 1**

(1)The text of the statewide ballot measure, including sponsors, cosponsors, and the text of the

question that will appear on the statewide ballot:

Proposed by Act 2015

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342 (Senate Bill 421 of the 2015 Regular Legislative Session) Bill Sponsor:Senator Orr, Senate District 3

Cosponsors:None

Proposing an amendment to the Constitution of Alabama of 1901, to authorize the legislature to provide a retirement program for district attorneys and circuit clerks of the state who are first elected or appointed on or after November 8, 2016.

(2) A summary of and the text of any implementing legislation directly related to the statewide

ballot measure: If the constitutional amendment proposed by Act 2015-342 is ratified, a separate act of the legislature, Act 2015-498 (previously Senate Bill 411 of the 2015 Regular Legislative Session, sponsored by Senator Orr), will become law and will be considered the implementing legislation directly related to the constitutional amendment. While the constitutional amendment merely authorizes the legislature to provide a retirement program for district attorneys and circuit clerks who are first

elected or appointed on or after November 8, 2016, Act 2015-498, the implementing legislation, actually contains the specific details about how these retirement programs would be administered.

Under current law, justices and judges in Alabama have retirement plans that are part of the Retirement

Systems of Alabama’s Judicial Retirement Fund, while retired circuit clerks and district attorneys receive

compensation in accordance with Alabama’s supernumerary service system. The implementing

legislation would establish within the Judicial Retirement Fund a retirement plan for circuit clerks and

district attorneys first elected or appointed on or after November 8, 2016, and would also establish a new retirement plan for justices and judges elected on or after November 8, 2016. Compared to retirement offerings that would otherwise be available to these officials, these new plans more closely align to retirement plans already offered to other elected officials and state employees. The implementing legislation would also allow newly elected or appointed district attorneys

to transfer previously earned retirement system service credits into the new retirement plan for district attorneys. Like other retirement plans for state employees, the Retirement Systems of Alabama will administer the retirement plans established by the implementing legislation. Generally, the implementing legislation would require justices, judges, district attorneys, and circuit

clerks to contribute 8.5% of their annual salary to their respective retirement fund.

Added to that employee contribution will be a separate employer contribution equal to a percentage of the employee’s annual salary; the employer contribution percentage will be determined annually based on actuarial valuations. An employee would be able to draw retirement benefits no earlier than age 62, and only if the employee had ten or more years of service. Each year of the employee’s service would effectively result in an annual retirement contribution equal to either 3% (for district attorneys and circuit clerks) or 4% ( for justices or judges) of the employee’s average final compensation, but the total retirement allowance could not exceed 75% (justice or judge) or 80% (district attorneys or circuit clerk) of the employee’s average final compensation.

(3) The placement of the statewide ballot measure on the statewide ballot: This proposed Constitutional Amendment will appear on the Ballot after election of statewide and local offices and will be the 1 constitutional amendment for voter consideration.

The proposed Constitutional Amendment will be listed as “Statewide Amendment

1.”

(4) A plain language summary of the statewide ballot measure, which shall include, at a

minimum, the legal or constitutional authority for its passage, the effect of the statewide ballot

measure if it is passed, including its cost and source of funding, and the effect of the statewide ballot

measure if it is defeated.

Statewide Amendment 1 proposes to authorize the legislature to provide a retirement program for district attorneys and circuit clerks of the state who are first elected or appointed on or after November 8, 2016.

Statewide Amendment 1 , along with separate implementing legislation, would, for all newly elected or

appointed district attorneys and circuit clerks, replace the current post - retirement supernumerary

compensation system with specific retirement programs established for those officials within the

Retirement Systems of Alabama’s Judicial Retirement Fund.

The implementing legislation would also establish a new retirement plan for justices and judges

first elected on or after November 8, 2016 , who are not otherwise members of the Judicial Retirement Fund.

None of the changes in the proposed constitutional amendment or the implementing legislation become effective unless the constitutional amendment is ratified.

Furthermore, should ratification occur, the constitutional amendment and the implementing legislation would only affect justices, judges, district attorneys, or circuit clerks who are first elected or appointed

on or after November 8, 2016.

However, the implementing legislation would allow a newly elected or appointed district attorney

to transfer previously earned retirement system service credits into the new retirement

plan for district attorneys.

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If Statewide Amendment 1 IS PASSED, a retirement plan would be established for qualifying

district attorneys and circuit clerks, who would otherwise be unable to participate in such a plan.

A new retirement plan for justices and judges first elected or appointed on or after November 8,

2016 would also be established .

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If Statewide Amendment 1 IS DEFEATED, qualifying district attorneys and circuit clerks would

not be able to participate in a state- administered retirement plan, but would remain eligible to

participate in the current post- retirement supernumerary compensation system. Furthermore,

retirement plans for justices or judges would not be modified.

As with every proposed constitutional amendment, state law requires the governor to publish the text of Statewide Amendment 1 prior to the election. Paid from the State General Fund, the exact proclamation expenses for Statewide Amendment 1 are unknown, but are estimated by the Alabama Legislative Fiscal Office to be $100,000. While Statewide Amendment 1 does not directly affect taxes, the Alabama Legislative Fiscal Office and the Retirement Systems of Alabama predict that the amendment and the implementing legislation, if ratified, will decrease the state employer contribution

rates for justices, judges, district attorneys, and clerks.

If that occurs, affected public entities, which receive an appropriation of public funds (i.e., taxes),

would realize a reduction in expenses due to the decrease in the contribution.