

Bond Case Briefs

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PENSIONS - ALABAMA

Ex parte Retirement Systems of Alabama

Supreme Court of Alabama - June 12, 2015 - So.3d - 2015 WL 3648522

Public educators and their spouses brought action against teachers' retirement system, public education employees' health insurance plan, and their boards and officers, alleging that implementation of policy whereby a wife and husband who were both educators in the public school system and who had dependent children would receive a single allotment, rather than two, violated various provisions of state and federal constitution. The Circuit Court denied motion to dismiss based on sovereign immunity. Defendants petitioned for writ of mandamus.

The Supreme Court of Alabama held that:

- State-law claims against board members and secretary-treasurer were barred by state constitutional sovereign immunity, and
- Federal-law claims against board members and secretary-treasurer were barred by federal constitutional sovereign immunity.

State constitutional sovereign immunity barred public educators' state-law claims against members of the board of the public education employees' health insurance plan and the secretary-treasurer of the plan, stemming from implementation of policy whereby a wife and husband who were both educators in the public school system and who had dependent children would receive a single allotment, rather than two. There was no law, regulation, or internal rule cited that created legal duty for plan to allow participants access to employer contributions paid on their behalf to spend on insurance, there was no allegedly unconstitutional law identified being enforced by board members or secretary-treasurer, request for declaratory relief related to board members' conduct under policy, not to board's performance under any particular statute educators sought to have construed or applied in given situation, and restitution requested was more in nature of refund of amounts overpaid than request for liquidated or certain damages owed under contract.

Federal constitutional sovereign immunity barred public educators' federal-law claims for restitution against members of the board of the public education employees' health insurance plan and the secretary-treasurer of the plan stemming from implementation of policy whereby a wife and husband who were both educators in the public school system and who had dependent children would receive a single allotment, rather than two, where relief requested would have resulted in recovery of money from the State.