

1 SB120  
2 156115-2  
3 By Senator Orr  
4 RFD: Finance and Taxation General Fund  
5 First Read: 14-JAN-14

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4 ENGROSSED

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7 A BILL  
8 TO BE ENTITLED  
9 AN ACT

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11 To amend Sections 16-25-26 and 36-27-8.2, Code of  
12 Alabama 1975, relating to retirees under the Teachers'  
13 Retirement System and the Employees' Retirement System; to  
14 allow part-time service by a retiree as an independent  
15 contractor; to require the employing authority to pay the  
16 employer contribution for each retiree; and to require the  
17 retiree to provide written notice of the postretirement  
18 employment to the appropriate retirement system.

19 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

20 Section 1. Sections 16-25-26 and 36-27-8.2 of the  
21 Code of Alabama 1975, are amended to read as follows:

22 "§16-25-26.

23 "(a) Any person who is retired under the Teachers'  
24 Retirement System may perform duties in any capacity,  
25 including as an independent contractor, with any employer  
26 participating in the Employees' Retirement System or the  
27 Teachers' Retirement System without suspension of his or her

1 retirement allowance provided that (1) the person is not  
2 employed in a permanent full-time capacity and (2) the  
3 person's compensation from the employer in calendar year 2000  
4 does not exceed ~~\$17,000~~ seventeen thousand dollars (\$17,000).  
5 Beginning in calendar year 2001, and each calendar year  
6 thereafter, the annual earning limit shall be increased by the  
7 same percentage increase as the increase in the Consumer Price  
8 Index for all urban consumers as published by the U.S.  
9 Department of Labor, Bureau of Labor Statistics. Any increase  
10 in the annual earning limit shall be rounded to the next  
11 lowest multiple of ~~\$1,000~~ one thousand dollars (\$1,000) with  
12 any amount in excess of the ~~\$1,000~~ one thousand dollar  
13 (\$1,000) multiple considered in determining the increase for  
14 the following year. Each adjustment shall be based on the  
15 increase in the index for the preceding 12-month period ending  
16 on September 30 and the increase shall be effective for the  
17 following calendar year.

18 "(b) Any person serving as an elected official who  
19 has retired from the Teachers' Retirement System may serve for  
20 compensation in an elected public office with the state, a  
21 county, or an incorporated municipality without suspension of  
22 retirement benefits; provided that under no circumstances  
23 shall such a person participate in or accrue additional  
24 benefits under the Teachers' Retirement System or the  
25 Employees' Retirement System, and provided that under no  
26 circumstances shall a person whose retirement is based upon  
27 service as an elected official continue in or return to such

1 office and receive both pension benefits and salary; provided  
2 further, that this subsection shall apply to elected officials  
3 whose participation in the Teachers' Retirement System or the  
4 Employees' Retirement System is constitutionally required to  
5 be upon the same terms and conditions as specified by law for  
6 other employees in the retirement system if such elected  
7 official's compensation does not exceed the annual earning  
8 limits provided in subsection (a).

9 "(c) The responsibility for compliance with this  
10 section is placed upon the employing authority, and each  
11 ~~person employed~~ retiree performing duties under this section  
12 shall certify to the employer any information required in  
13 order to carry out this section. The retiree shall provide  
14 written notice of the postretirement employment under this  
15 section to the Teachers' Retirement System within 30 days  
16 after the date the retiree knows or should know that he or she  
17 will be performing duties on a full-time or permanent basis or  
18 will earn an amount in excess of the annual earning limit  
19 under this section.

20 "§36-27-8.2.

21 "(a) Any person who is retired under the Employees'  
22 Retirement System may perform duties in any capacity,  
23 including as an independent contractor, with any employer  
24 participating in the Employees' Retirement System or the  
25 Teachers' Retirement System without suspension of his or her  
26 retirement allowance provided that (1) the person is not  
27 employed in a permanent full-time capacity and (2) the

1 person's compensation from the employer in calendar year 2000  
2 does not exceed ~~\$17,000~~ seventeen thousand dollars (\$17,000).  
3 Beginning in calendar year 2001, and each calendar year  
4 thereafter, the annual earning limit shall be increased by the  
5 same percentage increase as the increase in the Consumer Price  
6 Index for all urban consumers as published by the U.S.  
7 Department of Labor, Bureau of Labor Statistics. Any increase  
8 in the annual earning limit shall be rounded to the next  
9 lowest multiple of ~~\$1,000~~ one thousand dollars (\$1,000) with  
10 any amount in excess of the ~~\$1,000~~ one thousand dollar  
11 (\$1,000) multiple considered in determining the increase for  
12 the following year. Each adjustment shall be based on the  
13 increase in the index for the preceding 12-month period ending  
14 on September 30 and the increase shall be effective for the  
15 following calendar year.

16 "(b) Any person serving as an elected official who  
17 has retired from the Employees' Retirement System may serve  
18 for compensation in an elected public office with the state, a  
19 county, or an incorporated municipality without suspension of  
20 retirement benefits; provided that under no circumstances  
21 shall such a person participate in or accrue additional  
22 benefits under the Teachers' Retirement System or the  
23 Employees' Retirement System, and provided that under no  
24 circumstances shall a person whose retirement is based upon  
25 service as an elected official continue in or return to such  
26 office and receive both pension benefits and salary; provided  
27 further, that this subsection shall apply to elected officials

1 whose participation in the Teachers' Retirement System or the  
2 Employees' Retirement System is constitutionally required to  
3 be upon the same terms and conditions as specified by law for  
4 other employees in the retirement system if such elected  
5 official's compensation does not exceed the annual earning  
6 limits provided in subsection (a).

7 "(c) The responsibility for compliance with the  
8 provision of this section is placed upon the employing  
9 authority, and each ~~employee employed~~ retiree performing  
10 duties under this section shall certify to the employer any  
11 information required in order to carry out this section. The  
12 retiree shall provide written notice of the postretirement  
13 employment under this section to the Employees' Retirement  
14 System within 30 days after the date the retiree knows or  
15 should know that he or she will be performing duties on a  
16 full-time or permanent basis or will earn an amount in excess  
17 of the annual earning limit under this section."

18 Section 2. This act shall not be enforced against  
19 any retiree who is acting as an independent contractor for a  
20 participating employer pursuant to a contract executed before  
21 the effective date of this act for 180 days after the  
22 effective date of this act.

23 Section 3. This act shall become effective  
24 immediately following its passage and approval by the  
25 Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate committee on Finance and Taxation General Fund ...	14-JAN-14
Reported from Finance and Taxation General Fund as Favorable.....	30-JAN-14
Read for the third time and passed as amended ....	06-MAR-14

Yeas 29  
Nays 0

Patrick Harris  
Secretary