

SB307 INTRODUCED



1 60971Z-1
2 By Senator Elliott
3 RFD: County and Municipal Government
4 First Read: 11-May-23
5
6 2023 Regular Session



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SYNOPSIS:

This bill would remove certain conditions under which an elected official who has retired from the Teachers' Retirement System or the Employees' Retirement System may serve for compensation in another elected public office without suspension of retirement benefits.

A BILL
TO BE ENTITLED
AN ACT

Relating to the Retirement Systems of Alabama; to amend Sections 16-25-26 and 36-27-8.2, Code of Alabama 1975, to remove certain conditions under which an elected official who has retired from the Teachers' Retirement System and the Employees' Retirement System may serve for compensation in another elected public office without suspension of retirement benefits.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§16-25-26

(a) Any person who is retired under the Teachers'



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29 Retirement System may perform duties in any capacity,
30 including as an independent contractor, with any employer
31 participating in the Employees' Retirement System or the
32 Teachers' Retirement System without suspension of his or her
33 retirement allowance provided that (1) the person is not
34 employed in a permanent full-time capacity and (2) the
35 person's compensation from the employer in calendar year 2016
36 does not exceed thirty thousand dollars (\$30,000). Beginning
37 in calendar year 2017, and each calendar year thereafter, the
38 annual earning limit shall be increased by the same percentage
39 increase as the increase in the Consumer Price Index for all
40 urban consumers as published by the U.S. Department of Labor,
41 Bureau of Labor Statistics. Any increase in the annual earning
42 limit shall be rounded to the next lowest multiple of one
43 thousand dollars (\$1,000) with any amount in excess of the one
44 thousand dollar (\$1,000) multiple considered in determining
45 the increase for the following year. Each adjustment shall be
46 based on the increase in the index for the preceding 12-month
47 period ending on September 30 and the increase shall be
48 effective for the following calendar year.

49 (b) Any person serving as an elected official who has
50 retired from the Teachers' Retirement System may serve for
51 compensation in an elected public office with the state, a
52 county, or an incorporated municipality without suspension of
53 retirement benefits; provided that under no circumstances
54 shall such a person participate in or accrue additional
55 benefits under the Teachers' Retirement System or the
56 Employees' Retirement System, and provided that under no



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57 circumstances shall a person whose retirement is based upon
58 service as an elected official continue in or return to such
59 office and receive both pension benefits and salary; ~~provided~~
60 ~~further, that this subsection shall apply to elected officials~~
61 ~~whose participation in the Teachers' Retirement System or the~~
62 ~~Employees' Retirement System is constitutionally required to~~
63 ~~be upon the same terms and conditions as specified by law for~~
64 ~~other employees in the retirement system if such elected~~
65 ~~official's compensation does not exceed the annual earning~~
66 ~~limits provided in subsection (a).~~

67 (c) The responsibility for compliance with this section
68 is placed upon the employing authority, and each retiree
69 performing duties under this section shall certify to the
70 employer any information required in order to carry out this
71 section. The retiree shall provide written notice of the
72 postretirement employment under this section to the Teachers'
73 Retirement System and employing authority within 30 days after
74 the date the retiree knows or should know that he or she will
75 be performing duties on a full-time or permanent basis or will
76 earn an amount in excess of the annual earning limit under
77 this section."

78 "§36-27-8.2

79 (a) Any person who is retired under the Employees'
80 Retirement System may perform duties in any capacity,
81 including as an independent contractor, with any employer
82 participating in the Employees' Retirement System or the
83 Teachers' Retirement System without suspension of his or her
84 retirement allowance provided that (1) the person is not



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85 employed in a permanent full-time capacity and (2) the
86 person's compensation from the employer in calendar year 2016
87 does not exceed thirty thousand dollars (\$30,000). Beginning
88 in calendar year 2017, and each calendar year thereafter, the
89 annual earning limit shall be increased by the same percentage
90 increase as the increase in the Consumer Price Index for all
91 urban consumers as published by the U.S. Department of Labor,
92 Bureau of Labor Statistics. Any increase in the annual earning
93 limit shall be rounded to the next lowest multiple of one
94 thousand dollars (\$1,000) with any amount in excess of the one
95 thousand dollar (\$1,000) multiple considered in determining
96 the increase for the following year. Each adjustment shall be
97 based on the increase in the index for the preceding 12-month
98 period ending on September 30 and the increase shall be
99 effective for the following calendar year.

100 (b) Any person serving as an elected official who has
101 retired from the Employees' Retirement System may serve for
102 compensation in an elected public office with the state, a
103 county, or an incorporated municipality without suspension of
104 retirement benefits; provided that under no circumstances
105 shall such a person participate in or accrue additional
106 benefits under the Teachers' Retirement System or the
107 Employees' Retirement System, and provided that under no
108 circumstances shall a person whose retirement is based upon
109 service as an elected official continue in or return to such
110 office and receive both pension benefits and salary; ~~provided~~
111 ~~further, that this subsection shall apply to elected officials~~
112 ~~whose participation in the Teachers' Retirement System or the~~



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113 ~~Employees' Retirement System is constitutionally required to~~
114 ~~be upon the same terms and conditions as specified by law for~~
115 ~~other employees in the retirement system if such elected~~
116 ~~official's compensation does not exceed the annual earning~~
117 ~~limits provided in subsection (a).~~

118 (c) The responsibility for compliance with the
119 provision of this section is placed upon the employing
120 authority, and each retiree performing duties under this
121 section shall certify to the employer any information required
122 in order to carry out this section. The retiree shall provide
123 written notice of the postretirement employment under this
124 section to the Employees' Retirement System and employing
125 authority within 30 days after the date the retiree knows or
126 should know that he or she will be performing duties on a
127 full-time or permanent basis or will earn an amount in excess
128 of the annual earning limit under this section."

129 Section 2. This act shall become effective on the first
130 day of the third month following its passage and approval by
131 the Governor, or its otherwise becoming law.