

SB12 ENGROSSED



1 SB12
2 8NUPHHF-2
3 By Senator Elliott
4 RFD: County and Municipal Government
5 First Read: 06-Feb-24
6 PFD: 04-Jan-24



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A BILL
TO BE ENTITLED
AN ACT

Relating to the Retirement Systems of Alabama; to amend Section 16-25-26 and Section 36-27-8.2, as amended by Act 2023-334 and Act 2023-564, Code of Alabama 1975, to remove certain conditions under which a person who has retired from the Teachers' Retirement System and the Employees' Retirement System may serve for his or her full compensation in an elected public office without suspension of retirement benefits.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 16-25-26 and Section 36-27-8.2, as amended by Act 2023-334 and Act 2023-564, of the Code of Alabama 1975, are amended to read as follows:

"§16-25-26

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



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29 person's compensation from the employer in calendar year 2016
30 does not exceed thirty thousand dollars (\$30,000). Beginning
31 in calendar year 2017, and each calendar year thereafter, the
32 annual earning limit shall be increased by the same percentage
33 increase as the increase in the Consumer Price Index for all
34 urban consumers as published by the U.S. Department of Labor,
35 Bureau of Labor Statistics. Any increase in the annual earning
36 limit shall be rounded to the next lowest multiple of one
37 thousand dollars (\$1,000) with any amount in excess of the one
38 thousand dollar (\$1,000) multiple considered in determining
39 the increase for the following year. Each adjustment shall be
40 based on the increase in the index for the preceding 12-month
41 period ending on September 30 and the increase shall be
42 effective for the following calendar year.

43 (b) Any person serving as an elected official who has
44 retired from the Teachers' Retirement System may serve for his
45 or her full compensation in an elected public office with the
46 state, a county, or an incorporated municipality without
47 suspension of retirement benefits; provided that under no
48 circumstances shall such a person participate in or accrue
49 additional benefits under the Teachers' Retirement System or
50 the Employees' Retirement System for that service, and
51 provided that under no circumstances shall a person whose
52 retirement is based upon service as an elected official
53 continue in or return to such office and receive both pension
54 benefits and salary; ~~provided further, that this subsection~~
55 ~~shall apply to elected officials whose participation in the~~
56 ~~Teachers' Retirement System or the Employees' Retirement~~



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57 ~~System is constitutionally required to be upon the same terms~~
58 ~~and conditions as specified by law for other employees in the~~
59 ~~retirement system if such elected official's compensation does~~
60 ~~not exceed the annual earning limits provided in subsection~~
61 ~~(a).~~ Any provision of this subsection to the contrary
62 notwithstanding, a retiree serving as a local elected
63 superintendent of education shall not receive both pension
64 benefits and salary unless his or her compensation as a local
65 elected superintendent of education does not exceed the annual
66 earning 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 individual 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 individual is not



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

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



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113 ~~that this subsection shall apply to elected officials whose~~
114 ~~participation in the Teachers' Retirement System or the~~
115 ~~Employees' Retirement System is constitutionally required to~~
116 ~~be upon the same terms and conditions as specified by law for~~
117 ~~other employees in the retirement system if the elected~~
118 ~~official's compensation does not exceed the annual earning~~
119 ~~limits provided in subsection (a).~~ Any provision of this
120 subsection to the contrary notwithstanding, a retiree serving
121 as a local elected superintendent of education shall not
122 receive both pension benefits and salary unless his or her
123 compensation as a local elected superintendent of education
124 does not exceed the annual earning limits provided in
125 subsection (a).

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

137 (d) (1) Any individual who is retired under the
138 Employees' Retirement System, has the applicable Alabama Peace
139 Officers' Standards and Training certification, and was
140 classified as either a law enforcement officer, as defined in



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141 Section 36-27-59, or a state policeman, as defined in Section
142 36-27-1, prior to retirement, may perform duties as either a
143 school resource officer, as defined in Section 16-1-44.1, or a
144 correctional officer with the Department of Corrections
145 without suspension of his or her retirement allowance,
146 provided that the compensation earned does not exceed
147 fifty-two thousand dollars (\$52,000) per year.

148 (2) Any individual who is retired under the Employees'
149 Retirement System, has the applicable Alabama Peace Officers'
150 Standards and Training certification, and meets any of the
151 following criteria, may perform duties as a correctional
152 officer with the Department of Corrections without suspension
153 of his or her retirement allowance, provided that the
154 compensation earned does not exceed fifty-two thousand dollars
155 (\$52,000) per year:

156 a. Was classified as a law enforcement officer, as
157 defined in Section 36-27-59, prior to retirement.

158 b. Was classified as a state policeman, as defined in
159 Section 36-27-1, prior to retirement.

160 c. Was classified as a correctional officer, as defined
161 in Section 36-27-59, prior to retirement, and retired pursuant
162 to Section 36-27-16(a)(1)c.

163 (3) No individual may be employed pursuant to this
164 subsection after December 31, 2026."

165 Section 2. This act shall become effective June 1,
166 2024.



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169 Senate

170 Read for the first time and referred6-Feb-24
171 to the Senate committee on County
172 and Municipal Government
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174 Read for the second time and placed07-Feb-24
175 on the calendar:
176 1 amendment
177
178 Read for the third time and passed05-Mar-24
179 as amended
180 Yeas 32
181 Nays 0
182 Abstains 0
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185 Patrick Harris,
186 Secretary.
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