

SB12 INTRODUCED



1 SB12
2 8NUPHHF-1
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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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 his or her full 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 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 an elected official who has retired from the Teachers' Retirement System and the Employees' Retirement System may serve for his or her full compensation in another 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:



SB12 INTRODUCED

29 "§16-25-26

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

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



SB12 INTRODUCED

57 additional benefits under the Teachers' Retirement System or
58 the Employees' Retirement System for that service, and
59 provided that under no circumstances shall a person whose
60 retirement is based upon service as an elected official
61 continue in or return to such office and receive both pension
62 benefits and salary; ~~provided further, that this subsection~~
63 ~~shall apply to elected officials whose participation in the~~
64 ~~Teachers' Retirement System or the Employees' Retirement~~
65 ~~System is constitutionally required to be upon the same terms~~
66 ~~and conditions as specified by law for other employees in the~~
67 ~~retirement system if such elected official's compensation does~~
68 ~~not exceed the annual earning limits provided in subsection~~
69 ~~(a).~~

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

81 "§36-27-8.2

82 (a) Any individual who is retired under the Employees'
83 Retirement System may perform duties in any capacity,
84 including as an independent contractor, with any employer



SB12 INTRODUCED

85 participating in the Employees' Retirement System or the
86 Teachers' Retirement System without suspension of his or her
87 retirement allowance provided that (1) the individual is not
88 employed in a permanent full-time capacity and (2) the
89 individual's compensation from the employer in calendar year
90 2016 does not exceed thirty thousand dollars (\$30,000).
91 Beginning in calendar year 2017, and each calendar year
92 thereafter, the annual earning limit shall be increased by the
93 same percentage increase as the increase in the Consumer Price
94 Index for all urban consumers as published by the U.S.
95 Department of Labor, Bureau of Labor Statistics. Any increase
96 in the annual earning limit shall be rounded to the next
97 lowest multiple of one thousand dollars (\$1,000) with any
98 amount in excess of the one thousand dollar (\$1,000) multiple
99 considered in determining the increase for the following year.
100 Each adjustment shall be based on the increase in the index
101 for the preceding 12-month period ending on September 30 and
102 the increase shall be effective for the following calendar
103 year.

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



SB12 INTRODUCED

113 an individual whose retirement is based upon service as an
114 elected official continue in or return to the office and
115 receive both pension benefits and salary; ~~provided further,~~
116 ~~that this subsection shall apply to elected officials whose~~
117 ~~participation in the Teachers' Retirement System or the~~
118 ~~Employees' Retirement System is constitutionally required to~~
119 ~~be upon the same terms and conditions as specified by law for~~
120 ~~other employees in the retirement system if the elected~~
121 ~~official's compensation does not exceed the annual earning~~
122 ~~limits provided in subsection (a).~~

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

134 (d) (1) Any individual who is retired under the
135 Employees' Retirement System, has the applicable Alabama Peace
136 Officers' Standards and Training certification, and was
137 classified as either a law enforcement officer, as defined in
138 Section 36-27-59, or a state policeman, as defined in Section
139 36-27-1, prior to retirement, may perform duties as either a
140 school resource officer, as defined in Section 16-1-44.1, or a



SB12 INTRODUCED

141 correctional officer with the Department of Corrections
142 without suspension of his or her retirement allowance,
143 provided that the compensation earned does not exceed
144 fifty-two thousand dollars (\$52,000) per year.

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

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

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

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

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

162 Section 2. This act shall become effective June 1,
163 2024.