



**House Ways and Means General Fund Reported  
Substitute for SB28**

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A BILL  
TO BE ENTITLED  
AN ACT

Relating to retired state employees; to amend Section 36-27-8.2, as last amended by Act 2025-409, Code of Alabama 1975, to further provide for employment authorized for certain retirees of the Employees' Retirement System or Teachers' Retirement System.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 36-27-8.2, as last amended by Act 2025-409, 2025 Regular Session, Code of Alabama 1975, is amended to read as follows:

"§36-27-8.2

(a) Any individual who is retired under the Employees' 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: (i) the individual is not employed in a permanent full-time capacity; and (ii) the individual's compensation from the employer in calendar year 2016 does not exceed thirty thousand dollars (\$30,000). Beginning in calendar year 2017, and each calendar year



**House Ways and Means General Fund Reported  
Substitute for SB28**

29 thereafter, the annual earning limit shall be increased by the  
30 same percentage increase as the increase in the Consumer Price  
31 Index for all urban consumers as published by the U.S.  
32 Department of Labor, Bureau of Labor Statistics. Any increase  
33 in the annual earning limit shall be rounded to the next  
34 lowest multiple of one thousand dollars (\$1,000) with any  
35 amount in excess of the one thousand dollar (\$1,000) multiple  
36 considered in determining the increase for the following year.  
37 Each adjustment shall be based on the increase in the index  
38 for the preceding 12-month period ending on September 30 and  
39 the increase shall be effective for the following calendar  
40 year.

41 (b) Any individual serving as an elected official who  
42 has retired from the Employees' Retirement System may serve  
43 for his or her full compensation in an elected public office  
44 with the state, a county, or an incorporated municipality  
45 without suspension of retirement benefits~~;~~<sup>;</sup> provided~~,~~<sup>;</sup> that  
46 under no circumstances shall such an individual participate in  
47 or accrue additional benefits under the Teachers' Retirement  
48 System or the Employees' Retirement System for that service,  
49 and provided that under no circumstances shall an individual  
50 whose retirement is based upon service as an elected official  
51 continue in or return to the office and receive both pension  
52 benefits and salary. Any provision of this subsection to the  
53 contrary notwithstanding, a retiree serving as a local elected  
54 superintendent of education shall not receive both pension  
55 benefits and salary unless his or her compensation as a local  
56 elected superintendent of education does not exceed the annual



**House Ways and Means General Fund Reported  
Substitute for SB28**

57 earning limits provided in subsection (a).

58 (c) The responsibility for compliance with this section  
59 is placed upon the employing authority, and each retiree  
60 performing duties under this section shall certify to the  
61 employer any information required in order to carry out this  
62 section. The retiree shall provide written notice of the  
63 postretirement employment under this section to the Employees'  
64 Retirement System and employing authority within 30 days after  
65 the date the retiree knows or should know that he or she will  
66 be performing duties on a full-time or permanent basis or will  
67 earn an amount in excess of the annual earning limit under  
68 this section.

69 (d) (1) Any individual who is retired under the  
70 Employees' Retirement System or the Teachers' Retirement  
71 System, has the applicable Alabama Peace Officers' Standards  
72 and Training certification, and was classified as either a law  
73 enforcement officer, as defined in Section 36-27-59, or a  
74 state policeman, as defined in Section 36-27-1, prior to  
75 retirement, may perform duties as any of the following ~~a~~  
76 ~~school resource officer, as defined in Section 16-1-44.1, a~~  
77 ~~correctional officer with the Department of Corrections, or a~~  
78 ~~police officer at any state college or university pursuant to~~  
79 ~~Section 16-22-1~~ without suspension of his or her retirement  
80 allowance, provided ~~that~~ the compensation earned does not  
81 exceed fifty-two thousand dollars (\$52,000) per year:

82 a. A school resource officer, as defined in Section  
83 16-1-44.1.

84 b. A correctional officer with the Department of



**House Ways and Means General Fund Reported  
Substitute for SB28**

85 Corrections.

86 c. A police officer at any state college or university  
87 pursuant to Section 16-22-1.

88 d. A sheriff's deputy.

89 e. A municipal police officer.

90 f. A law enforcement officer, as defined in 36-27-59.

91 g. A state policeman, as defined in Section 36-27-1.

92 (2) Any individual who is retired under ~~the Employees'~~  
93 ~~Retirement System, has the applicable Alabama Peace Officers'~~  
94 ~~Standards and Training certification, and meets any both~~ of  
95 the following criteria may perform duties as a correctional  
96 officer with the Department of Corrections without suspension  
97 of his or her retirement allowance, provided ~~that~~ the  
98 compensation earned does not exceed fifty-two thousand dollars  
99 (\$52,000) per year:

100 ~~a. Was classified as a law enforcement officer, as~~  
101 ~~defined in Section 36-27-59, prior to retirement.~~

102 ~~b.a. Was classified as a state policeman, as defined in~~  
103 ~~Section 36-27-1, prior to retirement~~ Has the applicable Alabama  
104 Peace Officers' Standards and Training certification.

105 ~~e.b.~~ Was classified as a correctional officer, as  
106 defined in Section 36-27-59, prior to retirement, and retired  
107 pursuant to Section 36-27-16(a)(1)c.

108 (3) Any individual who is retired under the Employees'  
109 Retirement System, who has both the applicable Alabama  
110 Firefighters' Personnel Standards and Education Commission  
111 certification and the applicable State Board of Health  
112 certification as a firefighter and an emergency medical



**House Ways and Means General Fund Reported  
Substitute for SB28**

113 services personnel, as defined in Section 36-27-59, prior to  
114 retirement, may perform duties as a firemedic without  
115 suspension of his or her retirement allowance, provided that  
116 the compensation earned does not exceed fifty-two thousand  
117 dollars (\$52,000) per year, commensurate with the work  
118 actually performed.

119 (4) The minimum number of years of service required to  
120 qualify to perform duties without suspension of retirement  
121 benefits under subdivisions (d) (1), (d) (2), and (d) (3) shall  
122 be adjusted as follows:

123 a. A minimum of 25 years of service on January 1, 2027.  
124 b. A minimum of 26 years of service on January 1, 2028.  
125 c. A minimum of 27 years of service on January 1, 2029.  
126 d. A minimum of 28 years of service on January 1, 2030.  
127 e. A minimum of 29 years of service on January 1, 2031.  
128 f. A minimum of 30 years of service on January 1, 2032,  
129 and each year thereafter.

130 (5)a. Any individual who is retired under the  
131 Employees' Retirement System or Teachers' Retirement System  
132 with a minimum of 25 years of service and is licensed to  
133 practice law in this state may perform duties as an assistant  
134 district attorney without suspension of his or her retirement  
135 allowance, provided the compensation does not exceed fifty-two  
136 thousand dollars (\$52,000) per year.

137 b. The minimum number of years of service required to  
138 qualify to perform duties without suspension of retirement  
139 benefits under this subdivision shall be adjusted as follows:

140 1. A minimum of 26 years of service on January 1, 2028.



**House Ways and Means General Fund Reported  
Substitute for SB28**

141 2. A minimum of 27 years of service on January 1, 2029.  
142 3. A minimum of 28 years of service on January 1, 2030.  
143 4. A minimum of 29 years of service on January 1, 2031.  
144 5. A minimum of 30 years of service on January 1, 2032,  
145 and each year thereafter.

146 (6)a. Any individual who is retired under the  
147 Employees' Retirement System or Teachers' Retirement System  
148 may be hired and perform duties as a permanent full-time bus  
149 driver without suspension of his or her retirement allowance,  
150 provided the compensation does not exceed the earnings limit  
151 established in subsection (a) and the individual has drawn his  
152 or her retirement benefit for 12 consecutive months.

153 b. Notwithstanding paragraph a., an individual who  
154 retired under the Employees' Retirement System or the  
155 Teachers' Retirement System on or before January 1, 2026, may  
156 be hired and perform duties as a permanent full-time bus  
157 driver even if he or she has not drawn his or her retirement  
158 benefit for 12 consecutive months, provided all other  
159 conditions of this subsection are met.

160 ~~(4)-(7) This subsection shall have retroactive~~  
161 ~~application to January 1, 2023, and no~~ No individual may be  
162 employed pursuant to this subsection after December 31,  
163 ~~2030~~2032."

164 Section 2. This act shall become effective on June 1,  
165 2026.