

**HB138 ENROLLED**



1 HB138  
2 YM49862-2  
3 By Representative Paschal  
4 RFD: Ways and Means Education  
5 First Read: 13-Jan-26  
6 PFD: 09-Jan-26



## HB138 Enrolled

1 Enrolled, An Act,

2

3

4 Relating to retired state employees; to amend Section  
5 36-27-8.2, as last amended by Act 2025-409, Code of Alabama  
6 1975, to further provide for employment authorized for certain  
7 retirees of the Employees' Retirement System or Teachers'  
8 Retirement System.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. Section 36-27-8.2, as last amended by Act  
11 2025-409, 2025 Regular Session, Code of Alabama 1975, is  
12 amended to read as follows:

13 "§36-27-8.2

14 (a) Any individual who is retired under the Employees'  
15 Retirement System may perform duties in any capacity,  
16 including as an independent contractor, with any employer  
17 participating in the Employees' Retirement System or the  
18 Teachers' Retirement System without suspension of his or her  
19 retirement allowance provided that: (i) the individual is not  
20 employed in a permanent full-time capacity; and (ii) the  
21 individual's compensation from the employer in calendar year  
22 2016 does not exceed thirty thousand dollars (\$30,000).  
23 Beginning in calendar year 2017, and each calendar year  
24 thereafter, the annual earning limit shall be increased by the  
25 same percentage increase as the increase in the Consumer Price  
26 Index for all urban consumers as published by the U.S.  
27 Department of Labor, Bureau of Labor Statistics. Any increase  
28 in the annual earning limit shall be rounded to the next



## HB138 Enrolled

29 lowest multiple of one thousand dollars (\$1,000) with any  
30 amount in excess of the one thousand dollar (\$1,000) multiple  
31 considered in determining the increase for the following year.  
32 Each adjustment shall be based on the increase in the index  
33 for the preceding 12-month period ending on September 30 and  
34 the increase shall be effective for the following calendar  
35 year.

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

53 (c) The responsibility for compliance with this section  
54 is placed upon the employing authority, and each retiree  
55 performing duties under this section shall certify to the  
56 employer any information required in order to carry out this



## HB138 Enrolled

57 section. The retiree shall provide written notice of the  
58 postretirement employment under this section to the Employees'  
59 Retirement System and employing authority within 30 days after  
60 the date the retiree knows or should know that he or she will  
61 be performing duties on a full-time or permanent basis or will  
62 earn an amount in excess of the annual earning limit under  
63 this section.

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

77 a. A school resource officer, as defined in Section  
78 16-1-44.1.

79 b. A correctional officer with the Department of  
80 Corrections.

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

83 d. A sheriff's deputy.

84 e. A municipal police officer.



## HB138 Enrolled

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

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

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

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

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

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

103 (3) Any individual who is retired under the Employees'  
104 Retirement System, who has both the applicable Alabama  
105 Firefighters' Personnel Standards and Education Commission  
106 certification and the applicable State Board of Health  
107 certification as a firefighter and an emergency medical  
108 services personnel, as defined in Section 36-27-59, prior to  
109 retirement, may perform duties as a firemedic without  
110 suspension of his or her retirement allowance, provided that  
111 the compensation earned does not exceed fifty-two thousand  
112 dollars (\$52,000) per year, commensurate with the work



## HB138 Enrolled

113 actually performed.

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

118 a. A minimum of 25 years of service on January 1, 2027.

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

120 c. A minimum of 27 years of service on January 1, 2029.

121 d. A minimum of 28 years of service on January 1, 2030.

122 e. A minimum of 29 years of service on January 1, 2031.

123 f. A minimum of 30 years of service on January 1, 2032,

124 and each year thereafter.

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

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

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

136 2. A minimum of 27 years of service on January 1, 2029.

137 3. A minimum of 28 years of service on January 1, 2030.

138 4. A minimum of 29 years of service on January 1, 2031.

139 5. A minimum of 30 years of service on January 1, 2032,

140 and each year thereafter.



## HB138 Enrolled

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

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

155           ~~(4)-(7) This subsection shall have retroactive~~  
156 ~~application to January 1, 2023, and no~~ No individual may be  
157 employed pursuant to this subsection after December 31,  
158 20302032."

159           Section 2. This act shall become effective on June 1,  
160 2026.



**HB138 Enrolled**

161  
162  
163  
164  
165  
166  
167  
168  
169  
170  
171  
172  
173  
174  
175  
176  
177  
178  
179  
180  
181  
182  
183  
184  
185  
186  
187  
188  
189  
190  
191  
192  
193  
194  
195  
196

---

Speaker of the House of Representatives

---

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 22-Jan-26.

John Treadwell  
Clerk

	<hr/>	
Senate	<hr/> <b>05-Mar-26</b> <hr/>	Amended and Passed
House	<hr/> <b>12-Mar-26</b> <hr/>	Concurred in Senate Amendment