

HB138 INTRODUCED



1 HB138
2 L5FDIYA-1
3 By Representative Paschal
4 RFD: Ways and Means Education
5 First Read: 13-Jan-26
6 PFD: 09-Jan-26



SYNOPSIS:

Under existing law, certain individuals retired under the Employees' Retirement System or the Teachers' Retirement System may return to work without suspension of their retirement benefits.

This bill would allow any individual retired under the Employees' Retirement System or the Teachers' Retirement System to work as a full-time bus driver, provided that certain conditions relating to the compensation and benefits of the retiree are met.

A BILL
TO BE ENTITLED
AN ACT

Relating to the State Employees' Retirement System; to amend Section 36-27-8.2, Code of Alabama 1975, as last amended by Act 2025-409, 2025 Regular Session; to authorize certain retirees to return to work as bus drivers, subject to certain conditions.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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



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

(b) Any individual serving as an elected official who has retired from the Employees' Retirement System may serve for his or her full compensation in an elected public office with the state, a county, or an incorporated municipality without suspension of retirement benefits; provided, that



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under no circumstances shall such an individual participate in or accrue additional benefits under the Teachers' Retirement System or the Employees' Retirement System for that service, and provided that under no circumstances shall an individual whose retirement is based upon service as an elected official continue in or return to the office and receive both pension benefits and salary. Any provision of this subsection to the contrary notwithstanding, a retiree serving as a local elected superintendent of education shall not receive both pension benefits and salary unless his or her compensation as a local elected superintendent of education does not exceed the annual earning limits provided in subsection (a).

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

(d) (1) Any individual who is retired under the Employees' Retirement System or the Teachers' Retirement System, has the applicable Alabama Peace Officers' Standards and Training certification, and was classified as either a law enforcement officer, as defined in Section 36-27-59, or a



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state policeman, as defined in Section 36-27-1, prior to retirement, may perform duties as a school resource officer, as defined in Section 16-1-44.1, a correctional officer with the Department of Corrections, or a police officer at any state college or university pursuant to Section 16-22-1 without suspension of his or her retirement allowance, provided that the compensation earned does not exceed fifty-two thousand dollars (\$52,000) per year.

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

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

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

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

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



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

(4) This subsection shall have retroactive application to January 1, 2023, and no individual may be employed pursuant to this subsection after December 31, 2030.

(e) (1) Any individual who is retired under the Employees' Retirement System or the Teachers' Retirement System may be hired and perform duties as a full-time bus driver without suspension of his or her retirement allowance, provided that: (i) the individual's compensation does not exceed the earnings limit established in subsection (a); and (ii) the individual has drawn his or her retirement benefit for 12 consecutive months.

(2) Notwithstanding subdivision (1), any individual who retired under the Employees' Retirement System or the Teachers' Retirement System on or before January 1, 2026, may be hired and perform duties as a full-time bus driver even if the individual has not drawn his or her retirement benefits for 12 consecutive months, provided all other conditions of this subsection are met.

(3) No individual may be employed pursuant to this subsection after December 31, 2030."

Section 2. This act shall become effective on October 1, 2026.