

## 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



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4     SYNOPSIS:

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

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

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16                 A BILL

17                 TO BE ENTITLED

18                 AN ACT

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

25        BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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



29           "§36-27-8.2

30           (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).

39           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.

52           (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



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

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

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



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

93 (2) Any individual who is retired under the Employees'  
94 Retirement System, has the applicable Alabama Peace Officers'  
95 Standards and Training certification, and meets any of the  
96 following criteria may perform duties as a correctional  
97 officer with the Department of Corrections without suspension  
98 of his or her retirement allowance, provided that the  
99 compensation earned does not exceed fifty-two thousand dollars  
100 (\$52,000) per year:

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

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

105 c. Was classified as a correctional officer, as defined  
106 in Section 36-27-59, prior to retirement, and retired pursuant  
107 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



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

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

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

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

139 Section 2. This act shall become effective on October  
140 1, 2026.