

## HB339 INTRODUCED



1 HB339  
2 MSXQVWW-1  
3 By Representatives Hassell, Bracy, Lawrence, Gray, Hollis,  
4 Travis, McCampbell, Morris, Datcher, Moore (M)  
5 RFD: Ways and Means Education  
6 First Read: 27-Jan-26



SYNOPSIS:

This bill would provide for a benefit increase for certain eligible retirees of the Teachers' Retirement System on October 1, 2026.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to the Retirement Systems of Alabama; to provide a benefit increase for certain retirees and beneficiaries of the Teachers' Retirement System to become effective on October 1, 2026, subject to the annualized benefit increase procedure for retirees and beneficiaries under the Teachers' Retirement System.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) Commencing October 1, 2026, and subject to Section 16-25-35, Code of Alabama 1975, each individual, whose effective date of retirement for purposes of receiving benefits from the Teachers' Retirement System is prior to October 1, 2025, who is receiving or is entitled to receive a monthly allowance from the Teachers' Retirement System, who has 25 years or more of service, and who receives an annual benefit amount of twenty-five thousand dollars (\$25,000) or



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less, shall receive a cost-of-living increase of four percent in his or her gross monthly benefit.

(b) Beneficiaries of deceased members or deceased retirees, if the date of death for the deceased member was prior to October 1, 2026, the effective date of retirement for the deceased retiree for purposes of receiving benefits from the Teachers' Retirement System was prior to October 1, 2017, the deceased retiree had 25 years or more of service, and the deceased retiree received an annual benefit amount of twenty-five thousand dollars (\$25,000) or less, shall receive the cost-of-living increase in the amount attained by the retiree.

(c) Any future survivor allowance shall be adjusted as provided in the member's original option selection for those eligible retirees who have selected a monthly survivor allowance payable to a designated beneficiary upon the death of the retiree, or as otherwise provided by law in the case of a qualifying member who dies prior to October 1, 2026.

(d) If funded by the Legislature pursuant to the provisions of Section 16-25-35, Code of Alabama 1975, the Board of Control of the Teachers' Retirement System shall determine the amount required to pay the total cost of actuarial liability of the increased allowance provided under this section as a per centum rate of earnable compensation of the member and shall notify the chief fiscal officer of each employer of that cost. In the fiscal year beginning October 1, 2027, only, employers shall pay the full cost as an increase in the employer rate in the same manner and from the same



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57 source of funds as provided in Section 16-25-21, Code of  
58 Alabama 1975.

59 (e) Any individual who received benefits under the  
60 Medicaid Program and whose eligibility for Medicaid benefits  
61 would be impaired by the cost-of-living increase provided by  
62 this section shall not be entitled to receive the  
63 aforementioned increase. Any individual who subsequently  
64 applies for benefits under the Medicaid Program and that  
65 individual's eligibility to receive benefits is impaired by  
66 the cost-of-living increase provided by this section shall not  
67 be entitled to receive the increase subsequent to the date  
68 that the member files an application for benefits under the  
69 Medicaid Program.

70 (f) Pursuant to Section 16-25-35, Code of Alabama 1975,  
71 the Teachers' Retirement System shall pay the benefit increase  
72 to the eligible retirees and beneficiaries provided for in  
73 this section only if the annual cost of the increase as  
74 estimated by the actuary of the system is included and  
75 appropriated in the Education Trust Fund appropriation act for  
76 each fiscal year by a separate employer rate. In any fiscal  
77 year in which the required separate employer rate is not  
78 identified and appropriated in the appropriation act, eligible  
79 retirees and beneficiaries shall not receive, and the  
80 Teachers' Retirement System shall not be required to pay, the  
81 increase in that fiscal year. The benefit increase may be  
82 resumed in any subsequent fiscal year if included in that  
83 year's appropriation act.



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85           Section 2. This act shall become effective on October  
86    1, 2026.