

**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



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4       SYNOPSIS:

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

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10               A BILL

11               TO BE ENTITLED

12               AN ACT

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

20       BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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



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

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

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

47 (d) If funded by the Legislature pursuant to the  
48 provisions of Section 16-25-35, Code of Alabama 1975, the  
49 Board of Control of the Teachers' Retirement System shall  
50 determine the amount required to pay the total cost of  
51 actuarial liability of the increased allowance provided under  
52 this section as a per centum rate of earnable compensation of  
53 the member and shall notify the chief fiscal officer of each  
54 employer of that cost. In the fiscal year beginning October 1,  
55 2027, only, employers shall pay the full cost as an increase  
56 in the employer rate in the same manner and from the same



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.