

**SB280 ENGROSSED**



1 SB280  
2 SLA9377-2  
3 By Senator Waggoner  
4 RFD: Finance and Taxation Education  
5 First Read: 10-Feb-26



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A BILL  
TO BE ENTITLED  
AN ACT

Relating to the Retirement Systems of Alabama; to add Section 36-27-49.4 to the Code of Alabama 1975, to allow participating members of the Teachers' Retirement System and the Employees' Retirement System to purchase certain federal service credit.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 36-27-49.4 is added to the Code of Alabama 1975, to read as follows:

§36-27-49.4

(a) (1) A member of the Teachers' Retirement System or a member of the Employees' Retirement System may receive up to four years of creditable service for federal nonmilitary employment rendered for the United States, provided: (i) the member of the retirement system claiming the credit shall have attained not less than 10 years of contributing membership service credit, exclusive of military service credit, under the retirement system of which he or she is a member; and (ii) the member performs and complies with the conditions prescribed in subdivision (2).

(2) Before receiving credit pursuant to subdivision (1)



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29 the member shall first:

30 a. Before the date of his or her retirement and for  
31 each year of service credit, contribute to his or her  
32 respective retirement system the full actuarially determined  
33 cost for each year of claimed service as determined by the  
34 system's actuary;

35 b. Have the public retirement system of the federal  
36 government certify in writing to the applicable state  
37 retirement system that the member had credit under the federal  
38 retirement system for the service claimed; and

39 c. Claim, purchase, and receive credit for qualified  
40 federal service in increments of not less than one year. If  
41 the member's total or balance of qualified federal service is  
42 less than one year, he or she may claim and purchase credit  
43 for the entire time period.

44 (b) Any provision of this section to the contrary  
45 notwithstanding, a member may not receive credit for federal  
46 employment rendered for the United States if, at the time of  
47 retirement, he or she has credit or is entitled to any  
48 benefits whatsoever for the same service under any other  
49 retirement or pension plan which is wholly or partly funded  
50 from public funds. Nothing in this subsection shall be  
51 construed to apply to participation in the federal Social  
52 Security program. If federal nonmilitary employment service  
53 credit is not qualified, any contribution made pursuant to  
54 this section by a member shall be refunded to him or her.

55 (c) The applicable retirement system may deduct in 12  
56 equal installments, from the retirement allowance payable to a



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57 retired member, any additional contribution necessary to pay  
58 the administrative cost incurred in granting the credit under  
59 this section if the applicable Board of Control and consulting  
60 actuary for the system determine that the amounts contributed  
61 by the member pursuant to this section are insufficient to pay  
62 the administrative cost.

63 Section 2. This act shall become effective on October  
64 1, 2026.



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65  
66  
67 Senate

68 Read for the first time and referred .....10-Feb-26  
69 to the Senate committee on Finance  
70 and Taxation Education  
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72 Read for the second time and placed .....05-Mar-26  
73 on the calendar:  
74 0 amendments  
75  
76 Read for the third time and passed .....10-Mar-26  
77 as amended  
78 Yeas 35  
79 Nays 0  
80 Abstains 0

81  
82  
83 Patrick Harris,  
84 Secretary.  
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