

SB380 INTRODUCED



1 SB380

2 PSF3QEG-1

3 By Senators Orr, Stutts, Barfoot, Butler, Carnley, Weaver,
4 Price, Sessions, Melson, Bell, Waggoner, Smitherman, Kitchens,
5 Figures, Stewart, Hatcher, Coleman, Coleman-Madison, Beasley,
6 Singleton, Jones, Woods, Gudger, Livingston, Williams,
7 Elliott, Chesteen, Kelley, Hovey, Chambliss, Albritton, Allen

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9 RFD: Finance and Taxation Education

10 First Read: 31-Mar-26



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SYNOPSIS:

Under existing law, there is no provision for retirees and beneficiaries receiving monthly benefits from the Teachers' Retirement System to receive a funded longevity bonus in addition to their retirement allowances.

This bill would provide a longevity bonus payment to certain retirees and beneficiaries under the Teachers' Retirement System.

A BILL
TO BE ENTITLED
AN ACT

Relating to the Teachers' Retirement System; to provide for a funded one-time longevity bonus payment in addition to the retirement benefits of certain retirees and beneficiaries of the Teachers' Retirement System.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) There is provided for fiscal year 2026-2027 a funded one-time, lump-sum payment, hereinafter referred to as longevity bonus payment, to each individual whose effective date of retirement for purposes of receiving benefits from the Teachers' Retirement System is prior to May



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29 1, 2026, and is receiving, or is entitled to receive, a
30 monthly allowance from the Teachers' Retirement System on May
31 30, 2026.

32 (b) The formula for calculating the longevity bonus
33 payment shall be one dollar (\$1) per month for each year of
34 service attained by the retiree.

35 (c) Beneficiaries of deceased members or deceased
36 retirees, if the beneficiary is receiving or is entitled to
37 receive a monthly allowance from the Teachers' Retirement
38 System on May 30, 2026, shall receive a longevity bonus
39 payment of one dollar (\$1) per month for each year of service
40 of the deceased member or deceased retiree.

41 (d) For purposes of this section, service includes the
42 service under Section 16-25-1 and Article 9, commencing with
43 Section 16-25-150, Chapter 25, Title 16, Code of Alabama 1975.

44 (e) Any individual who received benefits under the
45 Medicaid program, and whose eligibility for Medicaid benefits
46 would be impaired by the longevity bonus payment provided by
47 this section, shall not be entitled to receive the
48 aforementioned increase. Any individual who subsequently
49 applies for benefits under the Medicaid program, and that
50 individual's eligibility to receive benefits is impaired by
51 the longevity bonus payment provided by this section, shall
52 not be entitled to receive the increase subsequent to the date
53 that the member files application for benefits under the
54 Medicaid program.

55 (f) The longevity bonus payments provided under this
56 section shall be paid to all eligible recipients by the



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57 Teachers' Retirement System in October 2026.

58 Section 2. It is not the intent of this act to make
59 appropriations, but the amount required to pay the cost of the
60 lump-sum payments provided under this act shall be
61 appropriated to the Teachers' Retirement System in SB238 of
62 the 2026 Regular Session.

63 Section 3. This act shall become effective on October
64 1, 2026.