



THE RETIREMENT SYSTEMS OF ALABAMA

David G. Bronner, CEO

Jo Moore, Deputy Director for Administration

Marc Green, Deputy Director for Investments

MEMORANDUM

TO: Superintendents and Chief Financial Officers

FROM: Valerie Y. Summers
Director of TRS Benefits

DATE: February 11, 2025

SUBJECT: RSA Retirees Employed as Bus Drivers

In response to some recent questions regarding the employment of RSA retirees as substitute bus drivers, RSA provides this memo to restate its existing policy. This policy was first set forth in the May 15, 2006 memorandum from the Assistant State Superintendent to all school systems.

The Code of Alabama §16-25-26 restricts the employment and earnings of RSA retirees who return to work with any RSA participating agency. A retiree who performs work with an RSA agency may continue to receive retirement benefits provided that employment is not in a permanent full-time capacity and the compensation does not exceed the annual statutory limit.

RSA retirees employed as substitute bus drivers may continue to receive their RSA retirement benefit provided:

1. The bus driver does not earn more than the annual statutory limit, which is \$39,000 for the 2025 calendar year; and
2. The bus driver's employment is either part-time or temporary.

Part-time means that a bus driver can drive up to 9 out of 10 trips a week. Full-time under such circumstances is driving a morning and afternoon route each day (10 out of 10 trips per week) and will result in the suspension of the bus driver's RSA retirement benefit.

Temporary means that a driver is employed for only a portion of the school year. The bus driver may drive 10 out of 10 trips per week, but not for the entire school year. The bus driver must have a contract for this temporary employment and the contract must have a specific beginning date and ending date. Temporary contracts cannot be continuously renewed for the duration of a school year or renewed from one school year to the next.

Please note that RSA retirees who perform work for any RSA agency must be enrolled in and their wages reported in ESS. TRS retains the discretion to determine compliance with post retirement employment restrictions.

Should there be any questions regarding the employment of retirees with your agency, please contact our office for further guidance. Thank you for your assistance in complying with the return to work requirements for bus drivers.