2025 Regular Session

The 2025 Regular Legislative Session concluded on May 14, 2025. The Legislature fully funded the requested employer contribution rates for the TRS, ERS, and PEEHIP. Notably, the funding for PEEHIP included a significant increase of approximately $124 million. This additional funding was essential to maintaining current healthcare benefits for PEEHIP members without any increase in out-of-pocket costs.

The Legislature passed Act 2025-336, which establishes a formal process for granting and funding retiree benefit increases. Under this new law, the Legislature can grant a retiree benefit increase, BUT it must be accompanied by a corresponding increase in the employer contribution rate to fund it. If funding is not provided in a given year, the RSA cannot pay the increase for that year. The Act further stipulates that such benefit increases may be granted only once per legislative quadrennium (every four years). This legislation will take effect on October 1, 2026. The Alabama Retired State Employees' Association (ARSEA) played a pivotal role in advocating for and securing the passage. For additional information, please reach out to ARSEA.

Overall, the 2025 session was very successful for the RSA and PEEHIP. Funding requests were fulfilled, and no harmful legislation was passed or introduced. Please be sure to thank your legislators and Governor Ivey for everything they have done to ensure your pension and healthcare benefits are well-funded and protected!

House Bills

Bill/Sponsor	Companion	Summary	Status
HB158/Clouse	n/a	Establishes a procedure for granting and funding TRS and ERS retiree benefit increases.	Enacted. Act 2025-336.
HB186/Reynolds	n/a	General Fund budget; fully funds ERS.	Enacted. Act 2025-251.
HB309/Garrett	SB195/Orr	Allows PEEHIP to renegotiate retiree healthcare contracts every five years.	Enacted. Act 2025-193.
HB542/Shaver	n/a	Allows supernumerary DAs to draw both supernumerary benefits and retirement benefits, as amended in House committee.	Enacted. Act 2025-401.

Senate Bills

Bill/Sponsor	Companion	Summary	Status
SB112/Orr	HB169/Garrett	Education Trust Fund budget; fully funds TRS and fully funds PEEHIP at the requested rate of $904 per member per month.	Enacted. Act 2025-270.
SB216/Chambliss	n/a	Adds fire medics to the temporary return to work exception that allows retirees to return to work as correctional officers and school resource officers with an increased compensation cap of $52,000 and extends the sunset date to 203; as amended adds higher education law enforcement to the exception.	Enacted. Act 2025-409.
SB244/Melson	n/a	Creating the crime of theft of employee retirement benefits.	Enacted. Act 2025-367.
SB252/Beasley	n/a	Requiring health insurance plans to reimburse independent pharmacies at Medicaid reimbursement rates to sunset in October 2027, providing for further enforcement of PBMs by DOI, creating a private right of action against PBMs, and prohibiting a PBM from charging certain fees to pharmacists. Amended in committee to remove the private right of action and the sunset.	Enacted. Act 2025-136.

SB286/Hatcher	n/a	Proposes a constitutional amendment to allow Montgomery City Council members to participate in ERS.	Enacted. Act 2025-181.
SJR45/Butler	n/a	Directing LSA to retain a consultant to study and report on the effects of pharmacy benefits manager practices in Alabama.	Enacted. Act 2025-130.