



# ACT #2025 - 336

- 1 HB158
- 2 3LA6ZZZ-2
- 3 By Representatives Clouse, Reynolds
- 4 RFD: Fiscal Responsibility
- 5 First Read: 04-Feb-25





1 Enrolled, An Act,

2  
3 Relating to the Retirement Systems of Alabama; to  
4 provide for an annualized benefit increase procedure for the  
5 funding of future benefit increases to state and education  
6 retirees of the Employees' Retirement System and the Teachers'  
7 Retirement System in a manner that does not increase the  
8 unfunded liability of either system; and to provide for  
9 legislative findings.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. Commencing in the fiscal year beginning  
12 October 1, 2026, no benefit increase provided to retirees and  
13 beneficiaries under the Employees' Retirement System, except  
14 for retirees and beneficiaries whose employers participate  
15 pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of  
16 Alabama 1975, shall be paid unless the increase is granted by  
17 a separate legislative act conforming to the requirements of  
18 this section. The separate legislative act shall set the  
19 amount of the increase and the class of eligible retirees and  
20 beneficiaries. Any other benefit increases may be granted by  
21 an additional separate legislative act. The Employees'  
22 Retirement System shall pay the benefit increase to the  
23 eligible retirees and beneficiaries, except those whose  
24 employer participates in the Employees' Retirement System  
25 pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of  
26 Alabama 1975, only if the annual cost of the increase as  
27 estimated by the actuary of the system is included and  
28 appropriated in the State General Fund appropriation act for



that fiscal year by a separate employer rate. Participating employers, except those whose employer participates in the Employees' Retirement System pursuant to Sections 36-27-6, 36-27-7, and 36-27-7.1, Code of Alabama 1975, shall pay the separate employer rate to pay the benefit increase included in the State General Fund appropriation act in the same manner and from the same source of funds as salaries of active members are paid. In any fiscal year in which the required separate employer rate is not identified and appropriated in the appropriation act, eligible retirees and beneficiaries shall not receive, and the Employees' Retirement System shall not be required to pay, the increase in that fiscal year. The benefit increase may be resumed in any subsequent fiscal year if included in that year's appropriation act.

Section 2. Commencing in the fiscal year that beginning October 1, 2026, no benefit increase provided to retirees and beneficiaries under the Teachers' Retirement System shall be paid unless the increase is granted by separate legislative act conforming to this section. The separate legislative act shall set the amount of the increase and the class of eligible retirees and beneficiaries. Any other benefit increases shall be granted by an additional separate legislative act. The Teachers' Retirement System shall pay the benefit increase to the eligible retirees and beneficiaries only if the annual cost of the increase as estimated by the actuary of the system is included and appropriated in the Education Trust Fund appropriation act for that fiscal year by a separate employer rate. Participating employers shall pay the separate employer



rate to pay the benefit increase included in the Education Trust Fund appropriation act in the same manner and from the same source of funds as salaries of active members are paid. In any fiscal year in which the required separate employer rate is not identified and appropriated in the appropriation act, eligible retirees and beneficiaries shall not receive and the Teachers' Retirement System shall not be required to pay the increase in that fiscal year. The benefit increase may be resumed in any subsequent fiscal year if included in that year's appropriation act.

Section 3. (a) The Legislature finds and declares that any benefit increase provided for the retirees and beneficiaries of the Employees' Retirement System and the Teachers' Retirement System pursuant to this act shall not increase the unfunded liability of those retirement systems due to the annual authorization and full annual funding required by this act.

(b) Any accounting standards that may imply otherwise and that do not recognize the clear language of this act, declaring that no future liability shall be attributed to the Retirement Systems of Alabama pursuant to this act, shall be disregarded and any audits conducted of the finances of the Retirement Systems of Alabama shall clearly note that those accounting standards do not apply to a benefit increase granted under this act.

Section 4. This act is not applicable to and shall not affect any previous cost-of-living increase or one-time bonus provided to retirees under acts previously passed by the

HB158 Enrolled



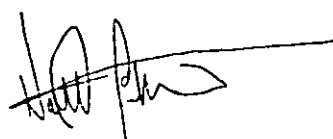
85 Legislature.


86           Section 5. Commencing on November 4, 2026, only one  
87 retiree and beneficiary increase may be granted per  
88 legislative quadrennium pursuant to this act.

89           Section 6. This act shall become effective on October  
90 1, 2026.

HB158 Enrolled



  
\_\_\_\_\_  
Speaker of the House of Representatives

  
\_\_\_\_\_  
President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and  
was passed by the House 27-Feb-25, as amended.

John Treadwell  
Clerk

Senate

06-May-25

Amended and Passed

House

06-May-25

Concurred in Senate  
Amendment

APPROVED

5/13-2025

TIME

9:00 am

  
\_\_\_\_\_  
GOVERNOR

Alabama Secretary Of State

Act Num....: 2025-336  
Bill Num....: H-158

Recv'd 05/13/25 01:43pm KCW

ORIGINAL

House Bill No. 3146222-1  
Project No. 3146222-1  
Profile Date \_\_\_\_\_

SPONSOR

DIST. NO.

CO-SPONSORS

1	<u>House</u>	28
2	<u>Ryan</u>	21
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HOUSE ACTION

DATE: 3/4 2022  
RD 1 RFD FT

REPORT OF STANDING COMMITTEE

This bill having been referred by the House to its standing committee on State Appropriations was acted upon by such committee in session, and returned therefrom to the House with the recommendation that it be Passed (w/amends) w/sub this 10th day of April 2022.  
Pat Treadwell Chair

DATE: 3/26 2025  
RF RD 2 CAL

DATE: 20  
RE-REFERRED ☐ RE-COMMITTED ☐  
Committee \_\_\_\_\_

DATE: 20  
RE-REFERRED ☐ RE-COMMITTED ☐  
Committee \_\_\_\_\_

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted, and is attached to the Bill.  
HB 133  
YEAS 100 NAYS 0

JOHN TREADWELL,  
Clerk

FURTHER HOUSE ACTION (OVER)

SENATE ACTION

DATE: 3/4 2025  
RD 1 RFD FT

This Bill was referred to the Standing Committee of the Senate on FEIT and was acted upon by such Committee in session and is by order of the Committee returned therefrom with a favorable report w/amd(s) 1 w/sub 1 w/eng sub \_\_\_\_\_ by a vote of \_\_\_\_\_

YEAS 16 nay 0 abstain 0  
this 10th day of April 2025  
Pat Treadwell Chair

DATE: 3/26 2025  
RF RD 2 CAL ☐

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill.  
HB \_\_\_\_\_  
YEAS \_\_\_\_\_ NAYS \_\_\_\_\_

PATRICK HARRIS,  
Secretary

DATE: 3/26 2025  
PASSED ☐ PASSED AS AMENDED ☒

YEAS 36 NAYS 0  
And was ordered returned forthwith to the House  
PATRICK HARRIS,  
Secretary

DATE: 20  
INDEFINITELY POSTPONED YEARS NAYS

DATE: 20  
RECONSIDERED YEARS NAYS

FURTHER SENATE ACTION (OVER)