



- 1 HB138
- 2 YM49862-2
- 3 By Representative Paschal
- 4 RFD: Ways and Means Education
- 5 First Read: 13-Jan-26
- 6 PFD: 09-Jan-26

ACT #2026-286





HB138 Enrolled

1 Enrolled, An Act,

2

3

4 Relating to retired state employees; to amend Section
5 36-27-8.2, as last amended by Act 2025-409, Code of Alabama
6 1975, to further provide for employment authorized for certain
7 retirees of the Employees' Retirement System or Teachers'
8 Retirement System.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. Section 36-27-8.2, as last amended by Act
11 2025-409, 2025 Regular Session, Code of Alabama 1975, is
12 amended to read as follows:

13 "§36-27-8.2

14 (a) Any individual who is retired under the Employees'
15 Retirement System may perform duties in any capacity,
16 including as an independent contractor, with any employer
17 participating in the Employees' Retirement System or the
18 Teachers' Retirement System without suspension of his or her
19 retirement allowance provided that: (i) the individual is not
20 employed in a permanent full-time capacity; and (ii) the
21 individual's compensation from the employer in calendar year
22 2016 does not exceed thirty thousand dollars (\$30,000).
23 Beginning in calendar year 2017, and each calendar year
24 thereafter, the annual earning limit shall be increased by the
25 same percentage increase as the increase in the Consumer Price
26 Index for all urban consumers as published by the U.S.
27 Department of Labor, Bureau of Labor Statistics. Any increase
28 in the annual earning limit shall be rounded to the next



HB138 Enrolled

29 lowest multiple of one thousand dollars (\$1,000) with any
30 amount in excess of the one thousand dollar (\$1,000) multiple
31 considered in determining the increase for the following year.
32 Each adjustment shall be based on the increase in the index
33 for the preceding 12-month period ending on September 30 and
34 the increase shall be effective for the following calendar
35 year.

36 (b) Any individual serving as an elected official who
37 has retired from the Employees' Retirement System may serve
38 for his or her full compensation in an elected public office
39 with the state, a county, or an incorporated municipality
40 without suspension of retirement benefits, provided that
41 under no circumstances shall such an individual participate in
42 or accrue additional benefits under the Teachers' Retirement
43 System or the Employees' Retirement System for that service,
44 and provided that under no circumstances shall an individual
45 whose retirement is based upon service as an elected official
46 continue in or return to the office and receive both pension
47 benefits and salary. Any provision of this subsection to the
48 contrary notwithstanding, a retiree serving as a local elected
49 superintendent of education shall not receive both pension
50 benefits and salary unless his or her compensation as a local
51 elected superintendent of education does not exceed the annual
52 earning limits provided in subsection (a).

53 (c) The responsibility for compliance with this section
54 is placed upon the employing authority, and each retiree
55 performing duties under this section shall certify to the
56 employer any information required in order to carry out this



57 section. The retiree shall provide written notice of the
58 postretirement employment under this section to the Employees'
59 Retirement System and employing authority within 30 days after
60 the date the retiree knows or should know that he or she will
61 be performing duties on a full-time or permanent basis or will
62 earn an amount in excess of the annual earning limit under
63 this section.

64 (d) (1) Any individual who is retired under the
65 Employees' Retirement System or the Teachers' Retirement
66 System, has the applicable Alabama Peace Officers' Standards
67 and Training certification, and was classified as either a law
68 enforcement officer, as defined in Section 36-27-59, or a
69 state policeman, as defined in Section 36-27-1, prior to
70 retirement, may perform duties as any of the following a
71 ~~school resource officer, as defined in Section 16-1-44.1, a~~
72 ~~correctional officer with the Department of Corrections, or a~~
73 ~~police officer at any state college or university pursuant to~~
74 ~~Section 16-22-1~~ without suspension of his or her retirement
75 allowance, provided ~~that~~ the compensation earned does not
76 exceed fifty-two thousand dollars (\$52,000) per year:

77 a. A school resource officer, as defined in Section
78 16-1-44.1.

79 b. A correctional officer with the Department of
80 Corrections.

81 c. A police officer at any state college or university
82 pursuant to Section 16-22-1.

83 d. A sheriff's deputy.

84 e. A municipal police officer.



85 f. A law enforcement officer, as defined in 36-27-59.

86 g. A state policeman, as defined in Section 36-27-1.

87 (2) Any individual who is retired under ~~the Employees'~~
 88 ~~Retirement System, has the applicable Alabama Peace Officers'~~
 89 ~~Standards and Training certification, and meets any both of~~
 90 the following criteria may perform duties as a correctional
 91 officer with the Department of Corrections without suspension
 92 of his or her retirement allowance, provided ~~that the~~
 93 compensation earned does not exceed fifty-two thousand dollars
 94 (\$52,000) per year:

95 ~~a. Was classified as a law enforcement officer, as~~
 96 ~~defined in Section 36-27-59, prior to retirement.~~

97 ~~b.a. Was classified as a state policeman, as defined in~~
 98 ~~Section 36-27-1, prior to retirement~~ Has the applicable Alabama
 99 Peace Officers' Standards and Training certification.

100 ~~e.b. Was classified as a correctional officer, as~~
 101 defined in Section 36-27-59, prior to retirement, and retired
 102 pursuant to Section 36-27-16(a)(1)c.

103 (3) Any individual who is retired under the Employees'
 104 Retirement System, who has both the applicable Alabama
 105 Firefighters' Personnel Standards and Education Commission
 106 certification and the applicable State Board of Health
 107 certification as a firefighter and an emergency medical
 108 services personnel, as defined in Section 36-27-59, prior to
 109 retirement, may perform duties as a firemedic without
 110 suspension of his or her retirement allowance, provided that
 111 the compensation earned does not exceed fifty-two thousand
 112 dollars (\$52,000) per year, commensurate with the work



113 actually performed.

114 (4) The minimum number of years of service required to
115 qualify to perform duties without suspension of retirement
116 benefits under subdivisions (d) (1), (d) (2), and (d) (3) shall
117 be adjusted as follows:

118 a. A minimum of 25 years of service on January 1, 2027.

119 b. A minimum of 26 years of service on January 1, 2028.

120 c. A minimum of 27 years of service on January 1, 2029.

121 d. A minimum of 28 years of service on January 1, 2030.

122 e. A minimum of 29 years of service on January 1, 2031.

123 f. A minimum of 30 years of service on January 1, 2032,

124 and each year thereafter.

125 (5)a. Any individual who is retired under the
126 Employees' Retirement System or Teachers' Retirement System
127 with a minimum of 25 years of service and is licensed to
128 practice law in this state may perform duties as an assistant
129 district attorney without suspension of his or her retirement
130 allowance, provided the compensation does not exceed fifty-two
131 thousand dollars (\$52,000) per year.

132 b. The minimum number of years of service required to
133 qualify to perform duties without suspension of retirement
134 benefits under this subdivision shall be adjusted as follows:

135 1. A minimum of 26 years of service on January 1, 2028.

136 2. A minimum of 27 years of service on January 1, 2029.

137 3. A minimum of 28 years of service on January 1, 2030.

138 4. A minimum of 29 years of service on January 1, 2031.

139 5. A minimum of 30 years of service on January 1, 2032,

140 and each year thereafter.



HB138 Enrolled

141 (6)a. Any individual who is retired under the
142 Employees' Retirement System or Teachers' Retirement System
143 may be hired and perform duties as a permanent full-time bus
144 driver without suspension of his or her retirement allowance,
145 provided the compensation does not exceed the earnings limit
146 established in subsection (a) and the individual has drawn his
147 or her retirement benefit for 12 consecutive months.

148 b. Notwithstanding paragraph a., an individual who
149 retired under the Employees' Retirement System or the
150 Teachers' Retirement System on or before January 1, 2026, may
151 be hired and perform duties as a permanent full-time bus
152 driver even if he or she has not drawn his or her retirement
153 benefit for 12 consecutive months, provided all other
154 conditions of this subsection are met.

155 ~~(4)-(7) This subsection shall have retroactive~~
156 ~~application to January 1, 2023, and no~~ No individual may be
157 employed pursuant to this subsection after December 31,
158 ~~2030~~2032."

159 Section 2. This act shall become effective on June 1,
160 2026.



HB138 Enrolled

161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196

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 22-Jan-26.

John Treadwell
Clerk

Senate	<u>05-Mar-26</u>	Amended and Passed
House	<u>12-Mar-26</u>	Concurred in Senate Amendment

APPROVED 3-26-2026
TIME 2:30 pm
Kay Ivey
GOVERNOR

Alabama Secretary Of State
Act Num....: 2026-286
Bill Num....: H-138

ORIGINAL
 House Bill No. 138
 Project No. LSFDIYA-1
 Prefix Date _____

SPONSOR Postma DIST. NO. 95
 CO-SPONSORS _____

2	28
3	29
4	30
5	31
6	32
7	33
8	34
9	35
10	36
11	37
12	38
13	39
14	40
15	41
16	42
17	43
18	44
19	45
20	46
21	47
22	48
23	49
24	50
25	51
26	52
27	53

HOUSE ACTION
 DATE: 1-18 2026
 RD 1 RFD WAVE

REPORT OF STANDING COMMITTEE
 This bill having been referred by the House to its standing committee on _____ was acted upon by such committee in session, and returned therefrom to the House with the recommendation that it be Passed, w/amend(s) _____ w/sub _____ this 20th day of January, 2026.
Diana Winkler, Chair

DATE: 1-20 2026
 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 138
 YEAS 103 NAYS 0
 JOHN TREADWELL,
 Clerk

FURTHER HOUSE ACTION (OVER)

SENATE ACTION PH IV
 DATE: 1-27 2026
 RD 1 RFD PH IV

This Bill was referred to the Standing Committee of the Senate on FATE 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) _____ w/sub _____ w/eng sub _____ by a vote of _____ yeas 15 nays 0 abstain 0 this 15th day of February, 2026.
PH IV, Chair

DATE: 2-12 2026
 RF PH IV RD2 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 138
 YEAS 138 NAYS 0
 PATRICK HARRIS,
 Secretary

DATE: 3-5 2026 RD 3 at length
 PASSED PASSED AS AMENDED

YEAS 31 NAYS 0
 And was ordered returned forthwith to the House
 PATRICK HARRIS,
 Secretary

DATE: 20
 INDEFINITELY POSTPONED YEAS NAYS
 DATE: 20
 RECONSIDERED YEAS NAYS

FURTHER SENATE ACTION (OVER)