

1 HB36
2 215418-1
3 By Representative Wood (R)
4 RFD: State Government
5 First Read: 11-JAN-22
6 PFD: 12/07/2021

SYNOPSIS: Under existing law, a retiree receiving an Employees' Retirement System or Teachers' Retirement System allowance may perform duties with an employer participating in the system without suspension of the retirement allowance provided the person is not employed in a permanent full-time capacity and the compensation does not exceed \$30,000 plus Consumer Price Index adjustments after 2017.

This bill would increase the compensation that a retiree receiving an Employees' Retirement System or Teachers' Retirement System allowance may earn for performing duties with an employer participating in the system.

A BILL
TO BE ENTITLED
AN ACT

1 To amend Sections 16-25-26 and 36-27-8.2 of the Code
2 of Alabama 1975, to increase the compensation that a retiree
3 receiving an Employees' Retirement System or Teachers'
4 Retirement System allowance may earn for performing duties
5 with an employer participating in the system.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. Sections 16-25-26 and 36-27-8.2 of the
8 Code of Alabama 1975, are amended to read as follows:

9 "§16-25-26.

10 "(a) Any person who is retired under the Teachers'
11 Retirement System may perform duties in any capacity,
12 including as an independent contractor, with any employer
13 participating in the Employees' Retirement System or the
14 Teachers' Retirement System without suspension of his or her
15 retirement allowance provided that (1) the person is not
16 employed in a permanent full-time capacity, and (2) the
17 person's compensation from the employer in calendar year ~~2016~~
18 2023 does not exceed ~~thirty thousand dollars (\$30,000)~~ forty
19 thousand dollars (\$40,000). Beginning in calendar year ~~2017~~
20 2024, and each calendar year thereafter, the annual earning
21 limit shall be increased by the same percentage increase as
22 the increase in the Consumer Price Index for all urban
23 consumers as published by the U.S. Department of Labor, Bureau
24 of Labor Statistics. Any increase in the annual earning limit
25 shall be rounded to the next lowest multiple of one thousand
26 dollars (\$1,000) with any amount in excess of the one thousand
27 dollar (\$1,000) multiple considered in determining the

1 increase for the following year. Each adjustment shall be
2 based on the increase in the index for the preceding 12-month
3 period ending on September 30 and the increase shall be
4 effective for the following calendar year.

5 "(b) Any person serving as an elected official who
6 has retired from the Teachers' Retirement System may serve for
7 compensation in an elected public office with the state, a
8 county, or an incorporated municipality without suspension of
9 retirement benefits; provided that under no circumstances
10 shall such a person participate in or accrue additional
11 benefits under the Teachers' Retirement System or the
12 Employees' Retirement System, and provided that under no
13 circumstances shall a person whose retirement is based upon
14 service as an elected official continue in or return to such
15 office and receive both pension benefits and salary; provided
16 further, that this subsection shall apply to elected officials
17 whose participation in the Teachers' Retirement System or the
18 Employees' Retirement System is constitutionally required to
19 be upon the same terms and conditions as specified by law for
20 other employees in the retirement system if ~~such~~ the elected
21 official's compensation does not exceed the annual earning
22 limits provided in subsection (a).

23 "(c) The responsibility for compliance with this
24 section is placed upon the employing authority, and each
25 retiree performing duties under this section shall certify to
26 the employer any information required in order to carry out
27 this section. The retiree shall provide written notice of the

1 postretirement employment under this section to the Teachers'
2 Retirement System and employing authority within 30 days after
3 the date the retiree knows or should know that he or she will
4 be performing duties on a full-time or permanent basis or will
5 earn an amount in excess of the annual earning limit under
6 this section.

7 "§36-27-8.2.

8 "(a) Any person who is retired under the Employees'
9 Retirement System may perform duties in any capacity,
10 including as an independent contractor, with any employer
11 participating in the Employees' Retirement System or the
12 Teachers' Retirement System without suspension of his or her
13 retirement allowance provided that (1) the person is not
14 employed in a permanent full-time capacity, and (2) the
15 person's compensation from the employer in calendar year ~~2016~~
16 2023 does not exceed ~~thirty thousand dollars (\$30,000)~~ forty
17 thousand dollars (\$40,000). Beginning in calendar year ~~2017~~
18 2024, and each calendar year thereafter, the annual earning
19 limit shall be increased by the same percentage increase as
20 the increase in the Consumer Price Index for all urban
21 consumers as published by the U.S. Department of Labor, Bureau
22 of Labor Statistics. Any increase in the annual earning limit
23 shall be rounded to the next lowest multiple of one thousand
24 dollars (\$1,000) with any amount in excess of the one thousand
25 dollar (\$1,000) multiple considered in determining the
26 increase for the following year. Each adjustment shall be
27 based on the increase in the index for the preceding 12-month

1 period ending on September 30 and the increase shall be
2 effective for the following calendar year.

3 "(b) Any person serving as an elected official who
4 has retired from the Employees' Retirement System may serve
5 for compensation in an elected public office with the state, a
6 county, or an incorporated municipality without suspension of
7 retirement benefits; provided that under no circumstances
8 shall such a person participate in or accrue additional
9 benefits under the Teachers' Retirement System or the
10 Employees' Retirement System, and provided that under no
11 circumstances shall a person whose retirement is based upon
12 service as an elected official continue in or return to such
13 office and receive both pension benefits and salary; provided
14 further, that this subsection shall apply to elected officials
15 whose participation in the Teachers' Retirement System or the
16 Employees' Retirement System is constitutionally required to
17 be upon the same terms and conditions as specified by law for
18 other employees in the retirement system if ~~such~~ the elected
19 official's compensation does not exceed the annual earning
20 limits provided in subsection (a).

21 "(c) The responsibility for compliance with the
22 provision of this section is placed upon the employing
23 authority, and each retiree performing duties under this
24 section shall certify to the employer any information required
25 in order to carry out this section. The retiree shall provide
26 written notice of the postretirement employment under this
27 section to the Employees' Retirement System and employing

1 authority within 30 days after the date the retiree knows or
2 should know that he or she will be performing duties on a
3 full-time or permanent basis or will earn an amount in excess
4 of the annual earning limit under this section."

5 Section 2. This act shall become effective on the
6 first day of the third month following its passage and
7 approval by the Governor, or its otherwise becoming law.