

1 HB394  
2 217841-1  
3 By Representatives Kitchens, Smith, Kiel, Moore (P), Almond,  
4 Shedd, Hall, Shiver, Drummond, Morris, Gaston, Ingram,  
5 Fincher, Dismukes, Gray, Estes, Robertson, Oliver, Shaver,  
6 Blackshear, Isbell, Daniels, Ledbetter, Lovvorn, Sorrells and  
7 Sullivan  
8 RFD: Ways and Means Education  
9 First Read: 22-FEB-22

8 SYNOPSIS: This bill would permit Tier I members  
9 retired under the Teachers' Retirement System and  
10 reemployed full-time by a local board of education  
11 to continue to receive retirement benefits under  
12 certain conditions.

14 A BILL  
15 TO BE ENTITLED  
16 AN ACT

18 To amend Section 16-25-26, Code of Alabama 1975,  
19 relating to the Teachers' Retirement System; to permit Tier I  
20 members retired under the Teachers' Retirement System and  
21 reemployed full-time by a local board of education to continue  
22 to receive retirement benefits under certain conditions.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. Section 16-25-26 of the Code of Alabama  
25 1975, is amended to read as follows:

26 "§16-25-26.

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

22           "(2) Subdivision (1) does not apply to a Tier I  
23 member who is retired under the Teachers' Retirement System  
24 and is reemployed full-time by a city or county board of  
25 education after having drawn his or her retirement benefit for  
26 at least three consecutive months and has not performed  
27 services for compensation for an employer participating in the

1 Teachers' Retirement System, Employees' Retirement System, or  
2 Judicial Retirement Fund during that time period. In the event  
3 a Tier I retiree is rehired full-time, he or she shall  
4 continue to receive retirement benefits as though he or she  
5 had not returned to active service, except that his or her  
6 Public Education Employees' Health Insurance Plan coverage  
7 shall revert to the terms applicable to an active employee.  
8 The employee shall be paid in accordance to the applicable  
9 local salary schedule and all withholdings applicable to an  
10 active employee shall be made. However, the employee shall not  
11 be eligible to accrue additional service credit in any manner  
12 and shall not be entitled to any refund of the retirement  
13 contributions withheld, which shall be retained by the  
14 Teachers' Retirement System.

15           "(b) Any person serving as an elected official who  
16 has retired from the Teachers' Retirement System may serve for  
17 compensation in an elected public office with the state, a  
18 county, or an incorporated municipality without suspension of  
19 retirement benefits; provided that under no circumstances  
20 shall such a person participate in or accrue additional  
21 benefits under the Teachers' Retirement System or the  
22 Employees' Retirement System, and provided that under no  
23 circumstances shall a person whose retirement is based upon  
24 service as an elected official continue in or return to such  
25 office and receive both pension benefits and salary; provided  
26 further, that this subsection shall apply to elected officials  
27 whose participation in the Teachers' Retirement System or the

1 Employees' Retirement System is constitutionally required to  
2 be upon the same terms and conditions as specified by law for  
3 other employees in the retirement system if such elected  
4 official's compensation does not exceed the annual earning  
5 limits provided in subsection (a).

6 "(c) The responsibility for compliance with this  
7 section is placed upon the employing authority, and each  
8 retiree performing duties under this section shall certify to  
9 the employer any information required in order to carry out  
10 this section. The retiree shall provide written notice of the  
11 postretirement employment under this section to the Teachers'  
12 Retirement System and employing authority within 30 days after  
13 the date the retiree knows or should know that he or she will  
14 be performing duties on a full-time or permanent basis or will  
15 earn an amount in excess of the annual earning limit under  
16 this section."

17 Section 2. This act shall become effective on July  
18 1, 2022, following its passage and approval by the Governor,  
19 or its otherwise becoming law.