

# Employer Connection

Employers' Retirement System (ERS) State Agencies

## Welcome to the June 2025

ERS Employer Connection!

This newsletter is where we connect with our participating employers under the Employees' Retirement System (ERS) by providing support and valuable information you need to know.

Employer Services will periodically email the newsletter to all Employer Self-Service (ESS) Portal contacts. Please be sure that anyone in your agency who will benefit by receiving these newsletters is set up in the ESS Portal as a Person Contact.

For previous issues of the ERS Employer Connection, please [click here](#).

## New Law

Protects RSA Contributions from Misuse

A new Alabama law (Act 2025-367) was passed to protect the retirement contributions of public employees in the RSA. The law ensures that RSA participating employers cannot take member contributions and use them for other purposes.

Starting October 1, 2025, it will be a Class C felony to misuse retirement contributions. This includes taking funds meant for RSA and spending them elsewhere or intentionally failing to send them to the retirement system. The penalty can be up to 10 years in prison and a \$15,000 fine.

Before this law, there was no specific criminal penalty for diverting retirement funds. There have been instances when a local government that participates in RSA had kept member contributions and continually refused to submit them. There was no penalty or recourse when this happened. This new law closes that gap and helps protect the integrity of the RSA. It sends a strong message: member retirement contributions must be used only for retirement – not for anything else.

This change strengthens trust in the system and helps ensure that RSA remains secure and financially sound for all its members.

## Act 2025-409

Employer Services would like to provide the following information regarding Act 2025-409, which updates the current procedure for Post-Retirement Employment.

- Allows for an ERS or TRS retiree that is APOST certified and participated in ERS or TRS as a law enforcement officer sometime prior to retirement to return to work (full-time or part-time) as a school resource officer, a corrections officer with AL Department of Corrections, or a police officer at any state college or university and earn up to \$52,000 per calendar year.
- An ERS retiree who has both Fire College certification and State Board of Health certification as an emergency medical services personnel, sometime prior to retirement, can return to work (full-time or part-time) as a Fire Medic and earn up to \$52,000 per calendar year.
- Effective 6/1/2025, but is retroactive to 1/01/2023.
- Expires 12/31/2030.

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## Parental Leave Act & LOA Status

A Leave of Absence (LOA) should be entered when an employee goes on unpaid leave that lasts longer than a pay period. This includes, but is not limited to, Unpaid Maternity Leave and Unpaid Medical Leave.

On July 1, 2025, the Parental Leave Act will go into effect and allow for paid Maternity and Paternity Leave. ERS has determined these wages will be considered pensionable and should be reported within the Regular Pay line. The LOA Status does not need to be updated for employees receiving pay under the Parental Leave Act. [This act only applies to State Agencies.]

Employees on Military Leave or Administrative Leave with any unpaid or paid days should be reported on LOA so ERS is notified. In these cases, override the warning when reporting their wages on the contribution submission.



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## Temporary Summer Enrollments

As the Summer kicks off, please remember that all employees, including Temporary, must be enrolled in the ESS Portal.

A Temporary employee is someone who is employed for a specific time period, not exceeding one year. If that employee is working at least half-time, they must begin participation in the ERS at the beginning of the second year of employment. If you have any questions regarding a specific employee or situation, please call Employer Services at 334.517.7005, option 1.

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## Employees with Benefits Questions?

We understand that employees will seek assistance from their employer when considering retirement, but we ask that you always encourage employees to contact the ERS directly for any retirement or benefits-related information. We want to ensure your employees are receiving the most current and accurate information, especially concerning the retirement process.

To contact the Employees' Retirement System concerning benefits, please call 334.517.7000 or toll-free at 877.517.0020.

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