



**House Ways and Means General Fund Reported
Substitute for SB174**

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A BILL
TO BE ENTITLED
AN ACT

Relating to the Teachers' Retirement System and the Employees' Retirement System; to amend Sections 16-25-26 and 36-27-8.2, Code of Alabama 1975, to temporarily permit certain retired individuals performing duties as school resource officers or as correctional officers to serve without suspension of his or her retirement allowance.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§16-25-26

(a) Any person who is retired under the Teachers' Retirement System may perform duties in any capacity, including as an independent contractor, with any employer participating in the Employees' Retirement System or the Teachers' Retirement System without suspension of his or her retirement allowance provided that (1) the person is not employed in a permanent full-time capacity and (2) the person's compensation from the employer in calendar year 2016 does not exceed thirty thousand dollars (\$30,000). Beginning



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29 in calendar year 2017, and each calendar year thereafter, the
30 annual earning limit shall be increased by the same percentage
31 increase as the increase in the Consumer Price Index for all
32 urban consumers as published by the U.S. Department of Labor,
33 Bureau of Labor Statistics. Any increase in the annual earning
34 limit shall be rounded to the next lowest multiple of one
35 thousand dollars (\$1,000) with any amount in excess of the one
36 thousand dollar (\$1,000) multiple considered in determining
37 the increase for the following year. Each adjustment shall be
38 based on the increase in the index for the preceding 12-month
39 period ending on September 30 and the increase shall be
40 effective for the following calendar year.

41 (b) Any person serving as an elected official who has
42 retired from the Teachers' Retirement System may serve for
43 compensation in an elected public office with the state, a
44 county, or an incorporated municipality without suspension of
45 retirement benefits; provided that under no circumstances
46 shall such a person participate in or accrue additional
47 benefits under the Teachers' Retirement System or the
48 Employees' Retirement System, and provided that under no
49 circumstances shall a person whose retirement is based upon
50 service as an elected official continue in or return to such
51 office and receive both pension benefits and salary; provided
52 further, that this subsection shall apply to elected officials
53 whose participation in the Teachers' Retirement System or the
54 Employees' Retirement System is constitutionally required to
55 be upon the same terms and conditions as specified by law for
56 other employees in the retirement system if such elected



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57 official's compensation does not exceed the annual earning
58 limits provided in subsection (a).

59 (c) The responsibility for compliance with this section
60 is placed upon the employing authority, and each retiree
61 performing duties under this section shall certify to the
62 employer any information required in order to carry out this
63 section. The retiree shall provide written notice of the
64 postretirement employment under this section to the Teachers'
65 Retirement System and employing authority within 30 days after
66 the date the retiree knows or should know that he or she will
67 be performing duties on a full-time or permanent basis or will
68 earn an amount in excess of the annual earning limit under
69 this section.

70 (d) (1) Any individual who is retired under the
71 Teachers' Retirement System or the Employees' Retirement
72 System, has the applicable Alabama Peace Officers' Standards
73 and Training certification, and was classified as a law
74 enforcement officer, as defined in Section 36-27-59 prior to
75 retirement, may perform duties as a school resource officer,
76 as defined in Section 16-1-44.1, without suspension of his or
77 her retirement allowance provided that the compensation earned
78 does not exceed fifty-two thousand dollars (\$52,000) per year:

79 (2) No individual may be employed pursuant to this
80 subsection after December 31, 2026."

81 "§36-27-8.2

82 (a) Any person who is retired under the Employees'
83 Retirement System may perform duties in any capacity,
84 including as an independent contractor, with any employer



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85 participating in the Employees' Retirement System or the
86 Teachers' Retirement System without suspension of his or her
87 retirement allowance provided that (1) the person is not
88 employed in a permanent full-time capacity and (2) the
89 person's compensation from the employer in calendar year 2016
90 does not exceed thirty thousand dollars (\$30,000). Beginning
91 in calendar year 2017, and each calendar year thereafter, the
92 annual earning limit shall be increased by the same percentage
93 increase as the increase in the Consumer Price Index for all
94 urban consumers as published by the U.S. Department of Labor,
95 Bureau of Labor Statistics. Any increase in the annual earning
96 limit shall be rounded to the next lowest multiple of one
97 thousand dollars (\$1,000) with any amount in excess of the one
98 thousand dollar (\$1,000) multiple considered in determining
99 the increase for the following year. Each adjustment shall be
100 based on the increase in the index for the preceding 12-month
101 period ending on September 30 and the increase shall be
102 effective for the following calendar year.

103 (b) Any person serving as an elected official who has
104 retired from the Employees' Retirement System may serve for
105 compensation in an elected public office with the state, a
106 county, or an incorporated municipality without suspension of
107 retirement benefits; provided that under no circumstances
108 shall such a person participate in or accrue additional
109 benefits under the Teachers' Retirement System or the
110 Employees' Retirement System, and provided that under no
111 circumstances shall a person whose retirement is based upon
112 service as an elected official continue in or return to such



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113 office and receive both pension benefits and salary; provided
114 further, that this subsection shall apply to elected officials
115 whose participation in the Teachers' Retirement System or the
116 Employees' Retirement System is constitutionally required to
117 be upon the same terms and conditions as specified by law for
118 other employees in the retirement system if such elected
119 official's compensation does not exceed the annual earning
120 limits provided in subsection (a).

121 (c) The responsibility for compliance with the
122 provision of this section is placed upon the employing
123 authority, and each retiree performing duties under this
124 section shall certify to the employer any information required
125 in order to carry out this section. The retiree shall provide
126 written notice of the postretirement employment under this
127 section to the Employees' Retirement System and employing
128 authority within 30 days after the date the retiree knows or
129 should know that he or she will be performing duties on a
130 full-time or permanent basis or will earn an amount in excess
131 of the annual earning limit under this section.

132 (d) (1) Any individual who is retired under the
133 Teachers' Retirement System or the Employees' Retirement
134 System, has the applicable Alabama Peace Officers' Standards
135 and Training certification, and meets either of the following
136 criteria may perform duties as a correctional officer with the
137 Department of Corrections without suspension of his or her
138 retirement allowance provided that the compensation earned
139 does not exceed fifty-two thousand dollars (\$52,000) per year:

140 a. Was classified as a law enforcement officer, as



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141 defined in Section 36-27-59, prior to retirement.

142 b. Was classified as a correctional officer, as defined
143 in Section 36-27-59, prior to retirement, and retired pursuant
144 to paragraph c. of Section 36-27-16(a) (1).

145 (2) No individual may be employed pursuant to this
146 subsection after December 31, 2026."

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