

1 HB166  
2 173503-1  
3 By Representative Hill (M)  
4 RFD: Ethics and Campaign Finance  
5 First Read: 09-FEB-16

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8 SYNOPSIS: Under existing law, a member of the  
9 Legislature may not be an employee of any other  
10 branch of state government or any public  
11 educational institution during his or her term of  
12 office.

13 This bill would allow a member of the  
14 Legislature who is retired under the Teachers'  
15 Retirement System or the Employees' Retirement  
16 System to perform duties in any capacity, including  
17 as an independent contractor, and to earn  
18 compensation with any employer participating in the  
19 Teachers' Retirement System or the Employees'  
20 Retirement System without suspension of his or her  
21 retirement allowance provided that the member is  
22 not employed in a permanent full-time capacity and  
23 his or her compensation does not exceed a certain  
24 amount.

25  
26 A BILL  
27 TO BE ENTITLED

1 AN ACT

2  
3 Relating to the Legislature; to amend Sections  
4 16-25-26 and 36-27-8.2, as amended by Act 2015-410, 2015  
5 Regular Session, Code of Alabama 1975, to allow a member of  
6 the Legislature who is retired under the Teachers' Retirement  
7 System or the Employees' Retirement System to perform duties  
8 in any capacity, including as an independent contractor, and  
9 to earn compensation with any employer participating in the  
10 Teachers' Retirement System or the Employees' Retirement  
11 System without suspension of his or her retirement allowance  
12 provided that the member is not employed in a permanent  
13 full-time capacity and his or her compensation does not exceed  
14 a certain amount.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. Sections 16-25-26 and 36-27-8.2, as  
17 amended by Act 2015-410, 2015 Regular Session, Code of Alabama  
18 1975, are amended to read as follows:

19 "§16-25-26.

20 "(a) Any person who is retired under the Teachers'  
21 Retirement System may perform duties in any capacity,  
22 including as an independent contractor, with any employer  
23 participating in the Employees' Retirement System or the  
24 Teachers' Retirement System without suspension of his or her  
25 retirement allowance provided that (1) the person is not  
26 employed in a permanent full-time capacity and (2) the  
27 person's compensation from the employer in calendar year 2016

1 does not exceed thirty thousand dollars (\$30,000). Beginning  
2 in calendar year 2017, and each calendar year thereafter, the  
3 annual earning limit shall be increased by the same percentage  
4 increase as the increase in the Consumer Price Index for all  
5 urban consumers as published by the U.S. Department of Labor,  
6 Bureau of Labor Statistics. Any increase in the annual earning  
7 limit shall be rounded to the next lowest multiple of one  
8 thousand dollars (\$1,000) with any amount in excess of the one  
9 thousand dollar (\$1,000) multiple considered in determining  
10 the increase for the following year. Each adjustment shall be  
11 based on the increase in the index for the preceding 12-month  
12 period ending on September 30 and the increase shall be  
13 effective for the following calendar year.

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

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

5 "(c) Notwithstanding Section 29-1-26, any member of  
6 the Legislature who is retired under the Teachers' Retirement  
7 System or the Employees' Retirement System may perform duties  
8 in any capacity, including as an independent contractor, and  
9 may earn compensation with any employer participating in the  
10 Teachers' Retirement System or the Employees' Retirement  
11 System without suspension of his or her retirement allowance  
12 provided that (1) the member is not employed in a permanent  
13 full-time capacity and (2) the member's compensation does not  
14 exceed the annual earning limits provided in subsection (a).

15 "(d) The responsibility for compliance with this  
16 section is placed upon the employing authority, and each  
17 retiree performing duties under this section shall certify to  
18 the employer any information required in order to carry out  
19 this section. The retiree shall provide written notice of the  
20 postretirement employment under this section to the Teachers'  
21 Retirement System and employing authority within 30 days after  
22 the date the retiree knows or should know that he or she will  
23 be performing duties on a full-time or permanent basis or will  
24 earn an amount in excess of the annual earning limit under  
25 this section.

26 "§36-27-8.2.

1           "(a) Any person who is retired under the Employees'  
2 Retirement System may perform duties in any capacity,  
3 including as an independent contractor, with any employer  
4 participating in the Employees' Retirement System or the  
5 Teachers' Retirement System without suspension of his or her  
6 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           "(b) Any person serving as an elected official who  
23 has retired from the Employees' Retirement System may serve  
24 for compensation in an elected public office with the state, a  
25 county, or an incorporated municipality without suspension of  
26 retirement benefits; provided that under no circumstances  
27 shall such a person participate in or accrue additional

1 benefits under the Teachers' Retirement System or the  
2 Employees' Retirement System, and provided that under no  
3 circumstances shall a person whose retirement is based upon  
4 service as an elected official continue in or return to such  
5 office and receive both pension benefits and salary; provided  
6 further, that this subsection shall apply to elected officials  
7 whose participation in the Teachers' Retirement System or the  
8 Employees' Retirement System is constitutionally required to  
9 be upon the same terms and conditions as specified by law for  
10 other employees in the retirement system if such elected  
11 official's compensation does not exceed the annual earning  
12 limits provided in subsection (a).

13 "(c) Notwithstanding Section 29-1-26, any member of  
14 the Legislature who is retired under the Teachers' Retirement  
15 System or the Employees' Retirement System may perform duties  
16 in any capacity, including as an independent contractor, and  
17 may earn compensation with any employer participating in the  
18 Teachers' Retirement System or the Employees' Retirement  
19 System without suspension of his or her retirement allowance  
20 provided that (1) the member is not employed in a permanent  
21 full-time capacity and (2) the member's compensation does not  
22 exceed the annual earning limits provided in subsection (a).

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

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

7 Section 2. Any provisions of Section 29-1-26, Code  
8 of Alabama 1975, that conflict with this act are repealed.

9 Section 3. This act shall become effective on the  
10 first day of the third month following its passage and  
11 approval by the Governor, or its otherwise becoming law.