

1 SB193
2 173503-1
3 By Senator Dial
4 RFD: Governmental Affairs
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.

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26 A BILL
27 TO BE ENTITLED

1 AN ACT

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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.