SB12

8NUPHHF-2

By Senator Elliott

RFD: County and Municipal Government

First Read: 06-Feb-24

PFD: 04-Jan-24

A BILL

TO BE ENTITLED

AN ACT

Relating to the Retirement Systems of Alabama; to amend Section 16-25-26 and Section 36-27-8.2, as amended by Act 2023-334 and Act 2023-564, Code of Alabama 1975, to remove certain conditions under which a person who has retired from the Teachers' Retirement System and the Employees' Retirement System may serve for his or her full compensation in an elected public office without suspension of retirement benefits.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 16-25-26 and Section 36-27-8.2, as amended by Act 2023-334 and Act 2023-564, 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 in calendar year 2017, and each calendar year thereafter, the annual earning limit shall be increased by the same percentage increase as the increase in the Consumer Price Index for all urban consumers as published by the U.S. Department of Labor, Bureau of Labor Statistics. Any increase in the annual earning limit shall be rounded to the next lowest multiple of one thousand dollars ($1,000) with any amount in excess of the one thousand dollar ($1,000) multiple considered in determining the increase for the following year. Each adjustment shall be based on the increase in the index for the preceding 12-month period ending on September 30 and the increase shall be effective for the following calendar year.

(b) Any person serving as an elected official who has retired from the Teachers' Retirement System may serve for his or her full compensation in an elected public office with the state, a county, or an incorporated municipality without suspension of retirement benefits; provided that under no circumstances shall such a person participate in or accrue additional benefits under the Teachers' Retirement System or the Employees' Retirement System for that service, and provided that under no circumstances shall a person whose retirement is based upon service as an elected official continue in or return to such office and receive both pension benefits and salary~~; provided further, that this subsection shall apply to elected officials whose participation in the Teachers' Retirement System or the Employees' Retirement~~

~~System is constitutionally required to be upon the same terms and conditions as specified by law for other employees in the retirement system if such elected official's compensation does not exceed the annual earning limits provided in subsection (a)~~. Any provision of this subsection to the contrary notwithstanding, a retiree serving as a local elected superintendent of education shall not receive both pension benefits and salary unless his or her compensation as a local elected superintendent of education does not exceed the annual earning limits provided in subsection (a).

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

"§36-27-8.2

(a) Any individual who is retired under the Employees' 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 individual is not

employed in a permanent full-time capacity and (2) the individual's compensation from the employer in calendar year 2016 does not exceed thirty thousand dollars ($30,000). Beginning in calendar year 2017, and each calendar year thereafter, the annual earning limit shall be increased by the same percentage increase as the increase in the Consumer Price Index for all urban consumers as published by the U.S. Department of Labor, Bureau of Labor Statistics. Any increase in the annual earning limit shall be rounded to the next lowest multiple of one thousand dollars ($1,000) with any amount in excess of the one thousand dollar ($1,000) multiple considered in determining the increase for the following year. Each adjustment shall be based on the increase in the index for the preceding 12-month period ending on September 30 and the increase shall be effective for the following calendar year.

(b) Any individual serving as an elected official who has retired from the Employees' Retirement System may serve for his or her full compensation in an elected public office with the state, a county, or an incorporated municipality without suspension of retirement benefits; provided that under no circumstances shall such an individual participate in or accrue additional benefits under the Teachers' Retirement System or the Employees' Retirement System for that service, and provided that under no circumstances shall an individual whose retirement is based upon service as an elected official continue in or return to the office and receive both pension benefits and salary~~; provided further,~~

~~that this subsection shall apply to elected officials whose participation in the Teachers' Retirement System or the Employees' Retirement System is constitutionally required to be upon the same terms and conditions as specified by law for other employees in the retirement system if the elected official's compensation does not exceed the annual earning limits provided in subsection (a)~~. Any provision of this subsection to the contrary notwithstanding, a retiree serving as a local elected superintendent of education shall not receive both pension benefits and salary unless his or her compensation as a local elected superintendent of education does not exceed the annual earning limits provided in subsection (a).

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

(d)(1) Any individual who is retired under the Employees' Retirement System, has the applicable Alabama Peace Officers' Standards and Training certification, and was classified as either a law enforcement officer, as defined in

Section 36-27-59, or a state policeman, as defined in Section 36-27-1, prior to retirement, may perform duties as either a school resource officer, as defined in Section 16-1-44.1, or a correctional officer with the Department of Corrections without suspension of his or her retirement allowance, provided that the compensation earned does not exceed fifty-two thousand dollars ($52,000) per year.

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

a. Was classified as a law enforcement officer, as defined in Section 36-27-59, prior to retirement.

b. Was classified as a state policeman, as defined in Section 36-27-1, prior to retirement.

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

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

Section 2. This act shall become effective June 1, 2024.

Senate

Read for the first time and referred 6-Feb-24
to the Senate committee on County
and Municipal Government

Read for the second time and placed 07-Feb-24
on the calendar:
1 amendment

Read for the third time and passed 05-Mar-24
as amended
Yeas 32
Nays 0
Abstains 0

Patrick Harris,
Secretary.