

SB280 INTRODUCED



1 SB280
2 DGMFANT-1
3 By Senator Waggoner
4 RFD: Finance and Taxation Education
5 First Read: 10-Feb-26



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4 SYNOPSIS:

5 This bill would allow state employees and
6 teachers to purchase credit in the Employees'
7 Retirement System of Alabama or the Teachers'
8 Retirement System of Alabama for public service
9 performed for the federal government.

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12 A BILL

13 TO BE ENTITLED

14 AN ACT

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16 Relating to the Retirement Systems of Alabama; to amend
17 Section 36-27-15.2, Code of Alabama 1975, to allow state
18 employees and teachers to purchase credit in the Employees'
19 Retirement System of Alabama or the Teachers' Retirement
20 System of Alabama for public service performed for the federal
21 government.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. Section 36-27-15.2 of the Code of Alabama
24 1975, is amended to read as follows:

25 "§36-27-15.2

26 (a) (1) Any member of the Teachers' Retirement System of
27 Alabama or any member of the Employees' Retirement System of
28 Alabama shall be eligible to receive up to 10 years of



29 creditable service for employment in public education in
30 states other than Alabama, for prior service in public
31 education in Alabama as a support employee or a teacher's
32 aide, for regular full-time service with the Teachers' Corps
33 in the State of Alabama, for regular full-time service with
34 the Job Corps, ~~or~~ for up to 10 years of creditable service for
35 public employment rendered in states other than Alabama, or
36 for federal employment rendered for the United States of
37 America, provided that the member of the retirement system
38 claiming the credit shall have attained not less than 10 years
39 of contributing membership service credit, exclusive of
40 military service credit, under the retirement system of which
41 he or she is a member; and, provided ~~further~~, that the member
42 performs and complies with the conditions prescribed in
43 subdivision (2) ~~of this subsection~~.

44 (2) A member of the Teachers' or Employees' Retirement
45 System of Alabama, eligible under paragraph a. ~~of this~~
46 ~~subsection~~, may receive credit for public service rendered in
47 states other than Alabama ~~and, for federal employment rendered~~
48 ~~for the United States of America, and~~ for prior service in
49 public education in Alabama as a support employee or a
50 teacher's aide or for regular full-time service with the
51 Teachers' Corps in the State of Alabama or the Job Corps as
52 provided in subdivision (1) ~~of this subsection~~, provided that
53 as conditions precedent to the receipt of the credit:

54 a. The member shall contribute, prior to the date of
55 his or her retirement, to his or her respective retirement
56 system, for each year of service credit, the full actuarially



57 determined cost for each year of claimed service as determined
58 by the system's actuary.

59 b. The other public retirement system of the ~~other~~
60 federal government, state, county, city, or other political
61 subdivision ~~thereof~~ shall certify in writing to the applicable
62 retirement system that the member had credit under the
63 retirement system for the service claimed.

64 c. The member shall claim, purchase, and receive credit
65 for ~~out-of-state~~ the service in increments of not less than
66 one year, unless the member's total or balance of ~~out-of-state~~
67 the service is less than one year, in which event, he or she
68 shall claim and purchase credit for the entire period.

69 (b) Any person who is retired under the Teachers' or
70 Employees' Retirement System of Alabama may receive credit for
71 out-of-state service and prior service in public education in
72 Alabama as a support employee or a teacher's aide or regular
73 full-time service with the Teachers' Corps in the State of
74 Alabama under the same conditions as are provided ~~herein~~ for
75 active members, except that, in lieu of current compensation,
76 the contribution shall be based on his or her average final
77 salary at the time of retirement; and, provided ~~that~~ the person
78 was retired on or before July 30, 1979; and, provided ~~further~~,
79 that the retired person makes his or her contribution in a
80 lump sum prior to the expiration of a period being one year
81 next following July 30, 1979. Any retiree so claiming and
82 contributing the amount ~~herein~~ required shall have his or her
83 retirement allowance redetermined on the basis of the
84 additional creditable service, provided ~~that~~ any increase in



85 the retirant's retirement allowance shall be payable to him or
86 her only throughout his or her life and shall not affect,
87 alter, increase, decrease, or in any other way change the
88 amount payable to the retirant's estate or designated
89 beneficiary or surviving spouse, except under the provisions
90 of Option 1, whereunder the contributions made pursuant to
91 this section shall be treated as part of the retirant's
92 accumulated contributions.

93 (c) Anything in this section to the contrary
94 notwithstanding, a member shall not receive credit for the
95 federal service, out-of-state service, teachers' aide service,
96 Job Corps service, ~~or~~ support employee service, or Teachers'
97 Corps service where at the time of retirement he or she has
98 credit or is entitled to any benefits whatsoever for the same
99 service under any retirement or pension plan, including but
100 not limited to TIAA-CREF, and which is wholly or partly
101 funded from public funds, or other ~~monies~~ monies of public
102 institutions of this or any other state or political
103 subdivision thereof ~~or~~ provided that nothing herein shall be
104 construed to apply to participation in the federal Social
105 Security program. In the event of disqualification of
106 ~~out-of-state~~ service credit, contributions made under this
107 section by the member shall be refunded to him or her.

108 (d) The retirement system may deduct in 12 equal
109 installments, from the retirement allowance payable to a
110 retired member, any additional contribution necessary to pay
111 the administrative cost incurred in granting the credit
112 hereunder in the event its Board of Control and consulting

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113 actuary ~~thereto~~ determine that the amounts contributed by the
114 member under ~~the provisions hereof~~ this section are
115 insufficient to pay the administrative cost."

116 Section 2. This act shall become effective on October
117 1, 2026.