

SB280 INTRODUCED



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



SYNOPSIS:

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

A BILL
TO BE ENTITLED
AN ACT

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

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§36-27-15.2

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



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

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

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



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

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

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

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



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

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

(d) The retirement system may deduct in 12 equal installments, from the retirement allowance payable to a retired member, any additional contribution necessary to pay the administrative cost incurred in granting the credit 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.