

1 HB376
2 216923-2
3 By Representatives Reynolds, Whitt, Crawford, Robertson, Moore
4 (P), Brown (C), Pettus, Isbell, Ledbetter, Kitchens and
5 Lovvorn
6 RFD: Ways and Means General Fund
7 First Read: 16-FEB-22

SYNOPSIS: Under existing law, a retiree receiving an Employees' Retirement System or Teachers' Retirement System allowance may perform duties with an employer participating in the system without suspension of the retirement allowance, provided the person is not employed in a permanent full-time capacity and the compensation does not exceed \$30,000 plus Consumer Price Index adjustments after 2017.

This bill would temporarily revise the eligibility requirements for participating and the allowance a retiree of either system may earn for performing duties with an employer participating in the system.

A BILL
TO BE ENTITLED
AN ACT

1 Relating to the Teachers' Retirement System and the
2 Employees' Retirement System; to amend Sections 16-25-26 and
3 36-27-8.2, Code of Alabama 1975, and to add Sections
4 16-25-25.2 and 36-27-8.3 to the Code of Alabama 1975; to
5 temporarily revise the eligibility and compensation of
6 retirees of either system for participating in either system
7 after retirement.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. Sections 16-25-26 and 36-27-8.2 of the
10 Code of Alabama 1975, are amended to read as follows:

11 "§16-25-26.

12 "(a) ~~Any~~ Subject to Section 16-25-26.2, any person
13 who is retired under the Teachers' Retirement System may
14 perform duties in any capacity, including as an independent
15 contractor, with any employer participating in the Employees'
16 Retirement System or the Teachers' Retirement System without
17 suspension of his or her retirement allowance provided that
18 (1) the person is not employed in a permanent full-time
19 capacity and (2) the person's compensation from the employer
20 in calendar year 2016 does not exceed thirty thousand dollars
21 (\$30,000). Beginning in calendar year 2017, and each calendar
22 year thereafter, the annual earning limit shall be increased
23 by the same percentage increase as the increase in the
24 Consumer Price Index for all urban consumers as published by
25 the U.S. Department of Labor, Bureau of Labor Statistics. Any
26 increase in the annual earning limit shall be rounded to the
27 next lowest multiple of one thousand dollars (\$1,000) with any

1 amount in excess of the one thousand dollar (\$1,000) multiple
2 considered in determining the increase for the following year.
3 Each adjustment shall be based on the increase in the index
4 for the preceding 12-month period ending on September 30 and
5 the increase shall be effective for the following calendar
6 year.

7 "(b) Any person serving as an elected official who
8 has retired from the Teachers' Retirement System may serve for
9 compensation in an elected public office with the state, a
10 county, or an incorporated municipality without suspension of
11 retirement benefits; provided that under no circumstances
12 shall such a person participate in or accrue additional
13 benefits under the Teachers' Retirement System or the
14 Employees' Retirement System, and provided that under no
15 circumstances shall a person whose retirement is based upon
16 service as an elected official continue in or return to such
17 office and receive both pension benefits and salary; provided
18 further, that this subsection shall apply to elected officials
19 whose participation in the Teachers' Retirement System or the
20 Employees' Retirement System is constitutionally required to
21 be upon the same terms and conditions as specified by law for
22 other employees in the retirement system if such elected
23 official's compensation does not exceed the annual earning
24 limits provided in subsection (a), subject to Section
25 16-25-26.2.

26 "(c) The responsibility for compliance with this
27 section is placed upon the employing authority, and each

1 retiree performing duties under this section shall certify to
2 the employer any information required in order to carry out
3 this section. The retiree shall provide written notice of the
4 postretirement employment under this section to the Teachers'
5 Retirement System and employing authority within 30 days after
6 the date the retiree knows or should know that he or she will
7 be performing duties on a full-time or permanent basis or will
8 earn an amount in excess of the annual earning limit under
9 this section, subject to Section 16-25-26.2.

10 "§36-27-8.2.

11 "(a) ~~Any~~ Subject to Section 36-27-8.3, any person
12 who is retired under the Employees' Retirement System may
13 perform duties in any capacity, including as an independent
14 contractor, with any employer participating in the Employees'
15 Retirement System or the Teachers' Retirement System without
16 suspension of his or her retirement allowance provided that
17 (1) the person is not employed in a permanent full-time
18 capacity and (2) the person's compensation from the employer
19 in calendar year 2016 does not exceed thirty thousand dollars
20 (\$30,000). Beginning in calendar year 2017, and each calendar
21 year thereafter, the annual earning limit shall be increased
22 by the same percentage increase as the increase in the
23 Consumer Price Index for all urban consumers as published by
24 the U.S. Department of Labor, Bureau of Labor Statistics. Any
25 increase in the annual earning limit shall be rounded to the
26 next lowest multiple of one thousand dollars (\$1,000) with any
27 amount in excess of the one thousand dollar (\$1,000) multiple

1 considered in determining the increase for the following year.
2 Each adjustment shall be based on the increase in the index
3 for the preceding 12-month period ending on September 30 and
4 the increase shall be effective for the following calendar
5 year.

6 "(b) Any person serving as an elected official who
7 has retired from the Employees' Retirement System may serve
8 for compensation in an elected public office with the state, a
9 county, or an incorporated municipality without suspension of
10 retirement benefits; provided that under no circumstances
11 shall such a person participate in or accrue additional
12 benefits under the Teachers' Retirement System or the
13 Employees' Retirement System, and provided that under no
14 circumstances shall a person whose retirement is based upon
15 service as an elected official continue in or return to such
16 office and receive both pension benefits and salary; provided
17 further, that this subsection shall apply to elected officials
18 whose participation in the Teachers' Retirement System or the
19 Employees' Retirement System is constitutionally required to
20 be upon the same terms and conditions as specified by law for
21 other employees in the retirement system if such elected
22 official's compensation does not exceed the annual earning
23 limits provided in subsection (a), subject to Section
24 36-27-8.3.

25 "(c) The responsibility for compliance with the
26 provision of this section is placed upon the employing
27 authority, and each retiree performing duties under this

1 section shall certify to the employer any information required
2 in order to carry out this section. The retiree shall provide
3 written notice of the postretirement employment under this
4 section to the Employees' Retirement System and employing
5 authority within 30 days after the date the retiree knows or
6 should know that he or she will be performing duties on a
7 full-time or permanent basis or will earn an amount in excess
8 of the annual earning limit under this section, subject to
9 Section 36-27-8.3."

10 Section 2. Sections 16-25-26.2 and 36-27-8.3 are
11 added to the Code of Alabama 1975, to read as follows:

12 §16-25-26.2.

13 (a) (1) Any provision of subsection 16-25-26(a) to
14 the contrary notwithstanding, commencing on the effective date
15 of the act adding this section, any person who is retired
16 under the Teachers' Retirement System may perform duties in
17 any capacity, including as an independent contractor, with any
18 employer participating in the Employees' Retirement System or
19 the Teachers' Retirement System without suspension of his or
20 her retirement allowance provided that:

21 a. The person has a 90-day break in service from the
22 date of retirement or, as of the effective date of the act
23 adding this section, is already performing duties; and

24 b. The person's compensation from the employer in
25 calendar year 2022 does not exceed fifty-two thousand dollars
26 (\$52,000).

1 (2) Commencing in calendar year 2024, and each
2 calendar year thereafter, the annual earning limit specified
3 in subdivision (1) 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) Unless extended by an act of the Legislature,
15 this section shall be repealed on December 31, 2026.

16 §36-27-8.3.

17 (a) (1) Any provision of subsection 36-27-8.2(a) to
18 the contrary notwithstanding, commencing on the effective date
19 of the act adding this section, any person who is retired
20 under the Employees' Retirement System may perform duties in
21 any capacity, including as an independent contractor, with any
22 employer participating in the Employees' Retirement System or
23 the Teachers' Retirement System without suspension of his or
24 her retirement allowance provided that:

25 a. The person has a 90-day break in service from the
26 date of retirement or, as of the effective date of this act,
27 is already performing duties; and

1 b. The person's compensation from the employer in
2 calendar year 2022 does not exceed fifty-two thousand dollars
3 (\$52,000).

4 (2) Commencing on January 1, 2024, and each calendar
5 year thereafter, the annual earning limit specified in
6 subdivision (1) shall be increased by the same percentage
7 increase as the increase in the Consumer Price Index for all
8 urban consumers as published by the U.S. Department of Labor,
9 Bureau of Labor Statistics. Any increase in the annual earning
10 limit shall be rounded to the next lowest multiple of one
11 thousand dollars (\$1,000) with any amount in excess of the one
12 thousand dollar (\$1,000) multiple considered in determining
13 the increase for the following year. Each adjustment shall be
14 based on the increase in the index for the preceding 12-month
15 period ending on September 30 and the increase shall be
16 effective for the following calendar year.

17 (b) Unless extended by an act of the Legislature,
18 this section shall be repealed on December 31, 2026.

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