

1 SB120
2 156115-3
3 By Senator Orr
4 RFD: Finance and Taxation General Fund
5 First Read: 14-JAN-14

1 SB120

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4 ENROLLED, An Act,

5 To amend Sections 16-25-26 and 36-27-8.2, Code of
6 Alabama 1975, relating to retirees under the Teachers'
7 Retirement System and the Employees' Retirement System; to
8 allow part-time service by a retiree as an independent
9 contractor; to require the employing authority to pay the
10 employer contribution for each retiree; and to require the
11 retiree to provide written notice of the postretirement
12 employment to the appropriate retirement system.

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

16 "§16-25-26.

17 "(a) Any person who is retired under the Teachers'
18 Retirement System may perform duties in any capacity,
19 including as an independent contractor, with any employer
20 participating in the Employees' Retirement System or the
21 Teachers' Retirement System without suspension of his or her
22 retirement allowance provided that (1) the person is not
23 employed in a permanent full-time capacity and (2) the
24 person's compensation from the employer in calendar year 2000
25 does not exceed ~~\$17,000~~ seventeen thousand dollars (\$17,000).

1 Beginning in calendar year 2001, and each calendar year
2 thereafter, the annual earning limit shall be increased by the
3 same percentage increase as the increase in the Consumer Price
4 Index for all urban consumers as published by the U.S.
5 Department of Labor, Bureau of Labor Statistics. Any increase
6 in the annual earning limit shall be rounded to the next
7 lowest multiple of ~~\$1,000~~ one thousand dollars (\$1,000) with
8 any amount in excess of the ~~\$1,000~~ one thousand dollar
9 (\$1,000) multiple considered in determining the increase for
10 the following year. Each adjustment shall be based on the
11 increase in the index for the preceding 12-month period ending
12 on September 30 and the increase shall be effective for the
13 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

1 whose participation in the Teachers' Retirement System or the
2 Employees' Retirement System is constitutionally required to
3 be upon the same terms and conditions as specified by law for
4 other employees in the retirement system if such elected
5 official's compensation does not exceed the annual earning
6 limits provided in subsection (a).

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

18 "§36-27-8.2.

19 "(a) Any person who is retired under the Employees'
20 Retirement System may perform duties in any capacity,
21 including as an independent contractor, with any employer
22 participating in the Employees' Retirement System or the
23 Teachers' Retirement System without suspension of his or her
24 retirement allowance provided that (1) the person is not
25 employed in a permanent full-time capacity and (2) the

1 person's compensation from the employer in calendar year 2000
2 does not exceed ~~\$17,000~~ seventeen thousand dollars (\$17,000).
3 Beginning in calendar year 2001, and each calendar year
4 thereafter, the annual earning limit shall be increased by the
5 same percentage increase as the increase in the Consumer Price
6 Index for all urban consumers as published by the U.S.
7 Department of Labor, Bureau of Labor Statistics. Any increase
8 in the annual earning limit shall be rounded to the next
9 lowest multiple of ~~\$1,000~~ one thousand dollars (\$1,000) with
10 any amount in excess of the ~~\$1,000~~ one thousand dollar
11 (\$1,000) multiple considered in determining the increase for
12 the following year. Each adjustment shall be based on the
13 increase in the index for the preceding 12-month period ending
14 on September 30 and the increase shall be effective for the
15 following calendar year.

16 "(b) Any person serving as an elected official who
17 has retired from the Employees' Retirement System may serve
18 for compensation in an elected public office with the state, a
19 county, or an incorporated municipality without suspension of
20 retirement benefits; provided that under no circumstances
21 shall such a person participate in or accrue additional
22 benefits under the Teachers' Retirement System or the
23 Employees' Retirement System, and provided that under no
24 circumstances shall a person whose retirement is based upon
25 service as an elected official continue in or return to such

1 office and receive both pension benefits and salary; provided
2 further, that this subsection shall apply to elected officials
3 whose participation in the Teachers' Retirement System or the
4 Employees' Retirement System is constitutionally required to
5 be upon the same terms and conditions as specified by law for
6 other employees in the retirement system if such elected
7 official's compensation does not exceed the annual earning
8 limits provided in subsection (a).

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

21 Section 2. This act shall not be enforced against
22 any retiree who is acting as an independent contractor for a
23 participating employer pursuant to a contract executed before
24 the effective date of this act for 180 days after the
25 effective date of this act.

1 Section 3. This act shall become effective
2 immediately following its passage and approval by the
3 Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB120

Senate 06-MAR-14

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris
Secretary

House of Representatives
Amended and passed 01-APR-14

Senate concurred in House amendment 01-APR-14

By: Senator Orr