

SB61 INTRODUCED



1 HJY736-1
2 By Senator Givhan
3 RFD: Finance and Taxation General Fund
4 First Read: 07-Mar-23
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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

Relating to the Teachers' Retirement System and the Employees' Retirement System; to amend Sections 16-25-26 and 36-27-8.2, Code of Alabama 1975, and to add Sections 16-25-25.2 and 36-27-8.3 to the Code of Alabama 1975; to temporarily revise the eligibility and compensation of



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29 retirees of either system for participating in either system
30 after retirement.

31 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

34 "§16-25-26

35 (a) ~~Any~~ Subject to Section 16-25-26.2, any person who
36 is retired under the Teachers' Retirement System may perform
37 duties in any capacity, including as an independent
38 contractor, with any employer participating in the Employees'
39 Retirement System or the Teachers' Retirement System without
40 suspension of his or her retirement allowance provided that
41 (1) the person is not employed in a permanent full-time
42 capacity and (2) the person's compensation from the employer
43 in calendar year 2016 does not exceed thirty thousand dollars
44 (\$30,000). Beginning in calendar year 2017, and each calendar
45 year thereafter, the annual earning limit shall be increased
46 by the same percentage increase as the increase in the
47 Consumer Price Index for all urban consumers as published by
48 the U.S. Department of Labor, Bureau of Labor Statistics. Any
49 increase in the annual earning limit shall be rounded to the
50 next lowest multiple of one thousand dollars (\$1,000) with any
51 amount in excess of the one thousand dollar (\$1,000) multiple
52 considered in determining the increase for the following year.
53 Each adjustment shall be based on the increase in the index
54 for the preceding 12-month period ending on September 30 and
55 the increase shall be effective for the following calendar
56 year.



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57 (b) Any person serving as an elected official who has
58 retired from the Teachers' Retirement System may serve for
59 compensation in an elected public office with the state, a
60 county, or an incorporated municipality without suspension of
61 retirement benefits; provided that under no circumstances
62 shall such a person participate in or accrue additional
63 benefits under the Teachers' Retirement System or the
64 Employees' Retirement System, and provided that under no
65 circumstances shall a person whose retirement is based upon
66 service as an elected official continue in or return to such
67 office and receive both pension benefits and salary; provided
68 further, that this subsection shall apply to elected officials
69 whose participation in the Teachers' Retirement System or the
70 Employees' Retirement System is constitutionally required to
71 be upon the same terms and conditions as specified by law for
72 other employees in the retirement system if such elected
73 official's compensation does not exceed the annual earning
74 limits provided in subsection (a), subject to Section
75 16-25-26.2.

76 (c) The responsibility for compliance with this section
77 is placed upon the employing authority, and each retiree
78 performing duties under this section shall certify to the
79 employer any information required in order to carry out this
80 section. The retiree shall provide written notice of the
81 postretirement employment under this section to the Teachers'
82 Retirement System and employing authority within 30 days after
83 the date the retiree knows or should know that he or she will
84 be performing duties on a full-time or permanent basis or will



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85 earn an amount in excess of the annual earning limit under
86 this section, subject to Section 16-25-26.2."

87 "§36-27-8.2

88 (a) ~~Any~~ Subject to Section 36-27-8.3, any person who is
89 retired under the Employees' Retirement System may perform
90 duties in any capacity, including as an independent
91 contractor, with any employer participating in the Employees'
92 Retirement System or the Teachers' Retirement System without
93 suspension of his or her retirement allowance provided that
94 (1) the person is not employed in a permanent full-time
95 capacity and (2) the person's compensation from the employer
96 in calendar year 2016 does not exceed thirty thousand dollars
97 (\$30,000). Beginning in calendar year 2017, and each calendar
98 year thereafter, the annual earning limit shall be increased
99 by the same percentage increase as the increase in the
100 Consumer Price Index for all urban consumers as published by
101 the U.S. Department of Labor, Bureau of Labor Statistics. Any
102 increase in the annual earning limit shall be rounded to the
103 next lowest multiple of one thousand dollars (\$1,000) with any
104 amount in excess of the one thousand dollar (\$1,000) multiple
105 considered in determining the increase for the following year.
106 Each adjustment shall be based on the increase in the index
107 for the preceding 12-month period ending on September 30 and
108 the increase shall be effective for the following calendar
109 year.

110 (b) Any person serving as an elected official who has
111 retired from the Employees' Retirement System may serve for
112 compensation in an elected public office with the state, a



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113 county, or an incorporated municipality without suspension of
114 retirement benefits; provided that under no circumstances
115 shall such a person participate in or accrue additional
116 benefits under the Teachers' Retirement System or the
117 Employees' Retirement System, and provided that under no
118 circumstances shall a person whose retirement is based upon
119 service as an elected official continue in or return to such
120 office and receive both pension benefits and salary; provided
121 further, that this subsection shall apply to elected officials
122 whose participation in the Teachers' Retirement System or the
123 Employees' Retirement System is constitutionally required to
124 be upon the same terms and conditions as specified by law for
125 other employees in the retirement system if such elected
126 official's compensation does not exceed the annual earning
127 limits provided in subsection (a), [subject to Section](#)
128 [36-27-8.3](#).

129 (c) The responsibility for compliance with the
130 provision of this section is placed upon the employing
131 authority, and each retiree performing duties under this
132 section shall certify to the employer any information required
133 in order to carry out this section. The retiree shall provide
134 written notice of the postretirement employment under this
135 section to the Employees' Retirement System and employing
136 authority within 30 days after the date the retiree knows or
137 should know that he or she will be performing duties on a
138 full-time or permanent basis or will earn an amount in excess
139 of the annual earning limit under this section, [subject to](#)
140 [Section 36-27-8.3](#)."



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

143 §16-25-26.2.

144 (a) (1) Any provision of subsection 16-25-26(a) to the
145 contrary notwithstanding, commencing on the effective date of
146 the act adding this section, any person who is retired under
147 the Teachers' Retirement System may perform duties in any
148 capacity, including as an independent contractor, with any
149 employer participating in the Employees' Retirement System or
150 the Teachers' Retirement System without suspension of his or
151 her retirement allowance provided that:

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

155 b. The person's compensation from the employer in
156 calendar year 2023 does not exceed fifty-two thousand dollars
157 (\$52,000).

158 (2) Commencing in calendar year 2025, and each calendar
159 year thereafter, the annual earning limit specified in
160 subdivision (1) shall be increased by the same percentage
161 increase as the increase in the Consumer Price Index for all
162 urban consumers as published by the U.S. Department of Labor,
163 Bureau of Labor Statistics. Any increase in the annual earning
164 limit shall be rounded to the next lowest multiple of one
165 thousand dollars (\$1,000) with any amount in excess of the one
166 thousand dollar (\$1,000) multiple considered in determining
167 the increase for the following year. Each adjustment shall be
168 based on the increase in the index for the preceding 12-month



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169 period ending on September 30, and the increase shall be
170 effective for the following calendar year.

171 (b) Unless extended by an act of the Legislature, this
172 section shall be repealed on December 31, 2027.

173 §36-27-8.3.

174 (a) (1) Any provision of subsection 36-27-8.2(a) to the
175 contrary notwithstanding, commencing on the effective date of
176 the act adding this section, any person who is retired under
177 the Employees' Retirement System may perform duties in any
178 capacity, including as an independent contractor, with any
179 employer participating in the Employees' Retirement System or
180 the Teachers' Retirement System without suspension of his or
181 her retirement allowance provided that:

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

185 b. The person's compensation from the employer in
186 calendar year 2023 does not exceed fifty-two thousand dollars
187 (\$52,000).

188 (2) Commencing on January 1, 2025, and each calendar
189 year thereafter, the annual earning limit specified in
190 subdivision (1) shall be increased by the same percentage
191 increase as the increase in the Consumer Price Index for all
192 urban consumers as published by the U.S. Department of Labor,
193 Bureau of Labor Statistics. Any increase in the annual earning
194 limit shall be rounded to the next lowest multiple of one
195 thousand dollars (\$1,000) with any amount in excess of the one
196 thousand dollar (\$1,000) multiple considered in determining



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197 the increase for the following year. Each adjustment shall be
198 based on the increase in the index for the preceding 12-month
199 period ending on September 30 and the increase shall be
200 effective for the following calendar year.

201 (b) Unless extended by an act of the Legislature, this
202 section shall be repealed on December 31, 2027.

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