

1 HB562
2 168271-2
3 By Representative Johnson (R)
4 RFD: Ways and Means Education
5 First Read: 28-APR-15

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8 SYNOPSIS: Under existing law, a retiree receiving an
9 Employees' Retirement System or Teachers'
10 Retirement System allowance may perform duties with
11 an employer participating in the system without
12 suspension of the retirement allowance provided the
13 person is not employed in a permanent full-time
14 capacity and the compensation does not exceed
15 \$17,000 plus Consumer Price Index adjustments after
16 2001. This bill would increase the compensation
17 that a retiree receiving an Employees' Retirement
18 System or Teachers' Retirement System allowance may
19 earn for performing duties with an employer
20 participating in the system.

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22 A BILL
23 TO BE ENTITLED
24 AN ACT

25
26 To amend Sections 16-25-26 and 36-27-8.2 of the Code
27 of Alabama 1975, as amended by Act 2014-297, 2014 Regular

1 Session, to increase the compensation that a retiree receiving
2 an Employees' Retirement System or Teachers' Retirement System
3 allowance may earn for performing duties with an employer
4 participating in the system.

5 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

6 Section 1. Sections 16-25-26 and 36-27-8.2 of the
7 Code of Alabama 1975, as amended by Act 2014-297, 2014 Regular
8 Session, are amended to read as follows:

9 "§16-25-26.

10 "(a) Any person who is retired under the Teachers'
11 Retirement System may perform duties in any capacity,
12 including as an independent contractor, with any employer
13 participating in the Employees' Retirement System or the
14 Teachers' Retirement System without suspension of his or her
15 retirement allowance provided that (1) the person is not
16 employed in a permanent full-time capacity and (2) the
17 person's compensation from the employer in calendar year ~~2000~~
18 2016 and does not exceed ~~seventeen~~ thirty thousand dollars
19 ~~(\$17,000)~~ (\$30,000) including all cost of living adjustments,
20 but specifically excluding mileage and per diem reimbursement
21 payments made for official duties of the person. Beginning in
22 calendar year 2001, and each calendar year thereafter, the
23 annual earning limit shall be increased by the same percentage
24 increase as the increase in the Consumer Price Index for all
25 urban consumers as published by the U.S. Department of Labor,
26 Bureau of Labor Statistics. Any increase in the annual earning
27 limit shall be rounded to the next lowest multiple of one

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

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

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

9 "§36-27-8.2.

10 "(a) Any person who is retired under the Employees'
11 Retirement System may perform duties in any capacity,
12 including as an independent contractor, with any employer
13 participating in the Employees' Retirement System or the
14 Teachers' Retirement System without suspension of his or her
15 retirement allowance provided that (1) the person is not
16 employed in a permanent full-time capacity and (2) the
17 person's compensation from the employer in calendar year 2000
18 2016 and does not exceed ~~seventeen~~ thirty thousand dollars
19 ~~(\$17,000)~~ (\$30,000) including all cost of living adjustments,
20 but specifically excluding mileage and per diem reimbursement
21 payments made for official duties of the person. Beginning in
22 calendar year 2001, and each calendar year thereafter, the
23 annual earning limit shall be increased by the same percentage
24 increase as the increase in the Consumer Price Index for all
25 urban consumers as published by the U.S. Department of Labor,
26 Bureau of Labor Statistics. Any increase in the annual earning
27 limit shall be rounded to the next lowest multiple of one

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

7 "(b) Any person serving as an elected official who
8 has retired from the Employees' Retirement System may serve
9 for 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).

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."

9 Section 2. This act shall become effective on the
10 first day of the third month following its passage and
11 approval by the Governor, or its otherwise becoming law.