

1 HB78
2 197190-1
3 By Representative Reynolds
4 RFD: Ways and Means General Fund
5 First Read: 05-MAR-19
6 PFD: 03/04/2019

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8 SYNOPSIS: Under existing law, a retiree receiving an
9 Employees' Retirement System or Teachers'
10 Retirement System allowance may receive
11 compensation for performing duties with an employer
12 participating in the system without suspension of
13 the retirement allowance, provided the person is
14 not employed in a permanent, full-time capacity,
15 and the annual compensation does not exceed
16 \$30,000, plus Consumer Price Index adjustments
17 after 2017.

18 This bill would increase the maximum annual
19 compensation that a retiree receiving an Employees'
20 Retirement System or Teachers' Retirement System
21 allowance may earn for performing duties with an
22 employer participating in the system to \$42,000,
23 beginning in the 2020 calendar year, plus Consumer
24 Price Index adjustments after 2025.

25
26 A BILL
27 TO BE ENTITLED

1 AN ACT

2
3 Relating to retirement; to amend Sections 16-25-26
4 and 36-27-8.2, Code of Alabama 1975, relating to the Teachers'
5 Retirement System and the Employees' Retirement System; to
6 increase the maximum annual compensation that a retiree
7 receiving an Employees' Retirement System or Teachers'
8 Retirement System allowance may earn for performing duties
9 with an employer participating in the system.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

13 "§16-25-26.

14 "(a) Any person who is retired under the Teachers'
15 Retirement System may perform duties in any capacity,
16 including as an independent contractor, with any employer
17 participating in the Employees' Retirement System or the
18 Teachers' Retirement System without suspension of his or her
19 retirement allowance provided that (1) the person is not
20 employed in a permanent full-time capacity and (2) the
21 person's compensation from the employer in calendar year ~~2016~~
22 2020 does not exceed ~~thirty~~ forty-two thousand dollars
23 ~~(\$30,000)~~ (\$42,000). Beginning in calendar year ~~2017~~ 2025, and
24 each calendar year thereafter, the annual earning limit shall
25 be increased by the same percentage increase as the increase
26 in the Consumer Price Index for all urban consumers as
27 published by the U.S. Department of Labor, Bureau of Labor

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

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

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

12 "§36-27-8.2.

13 "(a) Any person who is retired under the Employees'
14 Retirement System may perform duties in any capacity,
15 including as an independent contractor, with any employer
16 participating in the Employees' Retirement System or the
17 Teachers' Retirement System without suspension of his or her
18 retirement allowance provided that (1) the person is not
19 employed in a permanent full-time capacity and (2) the
20 person's compensation from the employer in calendar year ~~2016~~
21 2020 does not exceed ~~thirty~~ forty-two thousand dollars
22 ~~(\$30,000)~~ (\$42,000). Beginning in calendar year ~~2017~~ 2025, and
23 each calendar year thereafter, the annual earning limit shall
24 be increased by the same percentage increase as the increase
25 in the Consumer Price Index for all urban consumers as
26 published by the U.S. Department of Labor, Bureau of Labor
27 Statistics. Any increase in the annual earning limit shall be

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

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

26 "(c) The responsibility for compliance with the
27 provision of this section is placed upon the employing

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

10 Section 2. This act shall become effective January
11 1, 2020, following its passage and approval by the Governor,
12 or its otherwise becoming law.