

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

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ENROLLED, An Act,

To amend Sections 16-25-26 and 36-27-8.2 of the Code of Alabama 1975, as amended by Act 2014-297, 2014 Regular Session, to increase the compensation that a retiree receiving an Employees' Retirement System or Teachers' Retirement System allowance may earn for performing duties with an employer participating in the system.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

"§16-25-26.

"(a) Any person who is retired under the Teachers' Retirement System may perform duties in any capacity, including as an independent contractor, with any employer participating in the Employees' Retirement System or the Teachers' Retirement System without suspension of his or her retirement allowance provided that (1) the person is not employed in a permanent full-time capacity and (2) the person's compensation from the employer in calendar year ~~2000~~ 2016 and does not exceed ~~seventeen~~ thirty thousand dollars ~~(\$17,000)~~ (\$30,000) including all cost of living adjustments, but specifically excluding mileage and per diem reimbursement payments made for official duties of the person. Beginning in

1 calendar year ~~2001~~ 2017, and each calendar year thereafter,
2 the annual earning limit shall be increased by the same
3 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 one thousand dollars (\$1,000) with any
8 amount in excess of the one thousand dollar (\$1,000) multiple
9 considered in determining the increase for the following year.
10 Each adjustment shall be based on the increase in the index
11 for the preceding 12-month period ending on September 30 and
12 the increase shall be effective for the following calendar
13 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 retiree performing duties under this section shall certify to
10 the employer any information required in order to carry out
11 this section. The retiree shall provide written notice of the
12 postretirement employment under this section to the Teachers'
13 Retirement System and employing authority within 30 days after
14 the date the retiree knows or should know that he or she will
15 be performing duties on a full-time or permanent basis or will
16 earn an amount in excess of the annual earning limit under
17 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 2016 and does not exceed ~~seventeen~~ thirty thousand dollars
3 ~~(\$17,000)~~ (\$30,000) including all cost of living adjustments,
4 but specifically excluding mileage and per diem reimbursement
5 payments made for official duties of the person. Beginning in
6 calendar year ~~2001~~ 2017, and each calendar year thereafter,
7 the annual earning limit shall be increased by the same
8 percentage increase as the increase in the Consumer Price
9 Index for all urban consumers as published by the U.S.
10 Department of Labor, Bureau of Labor Statistics. Any increase
11 in the annual earning limit shall be rounded to the next
12 lowest multiple of one thousand dollars (\$1,000) with any
13 amount in excess of the one thousand dollar (\$1,000) multiple
14 considered in determining the increase for the following year.
15 Each adjustment shall be based on the increase in the index
16 for the preceding 12-month period ending on September 30 and
17 the increase shall be effective for the following calendar
18 year.

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

1 Employees' Retirement System, and provided that under no
2 circumstances shall a person whose retirement is based upon
3 service as an elected official continue in or return to such
4 office and receive both pension benefits and salary; provided
5 further, that this subsection shall apply to elected officials
6 whose participation in the Teachers' Retirement System or the
7 Employees' Retirement System is constitutionally required to
8 be upon the same terms and conditions as specified by law for
9 other employees in the retirement system if such elected
10 official's compensation does not exceed the annual earning
11 limits provided in subsection (a).

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

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

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 19-MAY-15, as amended.

Jeff Woodard
Clerk

Senate

04-JUN-15

Passed