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

1	<u>ENGROSSED</u>
2	
3	
4	A BILL
5	TO BE ENTITLED
6	AN ACT
7	
8	To amend Sections 16-25-26 and 36-27-8.2 of the Code
9	of Alabama 1975, as amended by Act 2014-297, 2014 Regular
10	Session, to increase the compensation that a retiree receiving
11	an Employees' Retirement System or Teachers' Retirement System
12	allowance may earn for performing duties with an employer
13	participating in the system.
14	BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:
15	Section 1. Sections 16-25-26 and 36-27-8.2 of the
16	Code of Alabama 1975, as amended by Act 2014-297, 2014 Regular
17	Session, are amended to read as follows:
18	"§16-25-26.
19	"(a) Any person who is retired under the Teachers'
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
26	person's compensation from the employer in calendar year 2000
27	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 calendar year 2001 2017, and each calendar year thereafter, the annual earning limit shall be increased by the same percentage increase as the increase in the Consumer Price Index for all urban consumers as published by the U.S. Department of Labor, Bureau of Labor Statistics. Any increase in the annual earning limit shall be rounded to the next lowest multiple of one thousand dollars (\$1,000) with any amount in excess of the one thousand dollar (\$1,000) multiple considered in determining the increase for the following year. Each adjustment shall be based on the increase in the index for the preceding 12-month period ending on September 30 and the increase shall be effective for the following calendar year.

1

2

3

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

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

further, that this subsection shall apply to elected officials whose participation in the Teachers' Retirement System or the Employees' Retirement System is constitutionally required to be upon the same terms and conditions as specified by law for other employees in the retirement system if such elected official's compensation does not exceed the annual earning limits provided in subsection (a).

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

"\$36-27-8.2.

"(a) Any person who is retired under the Employees'
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 calendar year 2001 2017, and each calendar year thereafter, the annual earning limit shall be increased by the same percentage increase as the increase in the Consumer Price Index for all urban consumers as published by the U.S. Department of Labor, Bureau of Labor Statistics. Any increase in the annual earning limit shall be rounded to the next lowest multiple of one thousand dollars (\$1,000) with any amount in excess of the one thousand dollar (\$1,000) multiple considered in determining the increase for the following year. Each adjustment shall be based on the increase in the index for the preceding 12-month period ending on September 30 and the increase shall be effective for the following calendar year.

1

2

3

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

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

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

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

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

1	
2	
3	House of Representatives
4 5 6 7	Read for the first time and referred to the House of Representatives committee on Ways and Means Education
8 9 10 11	Read for the second time and placed on the calendar 1 amendment 07-MAY-15
12 13 14	Read for the third time and passed as amended
15 16 17 18	Jeff Woodard Clerk