2025-2026 General Assembly

HOUSE BILL 1126: 2026 Department of State Treasurer Admin/Technical/Clarifying Changes, Part I: Administrative Changes/Retirement Systems

Analysis of: S.L. 2026-50, Part I

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Part I of S.L. 2026-50 (House Bill 1126) does the following:

- Allows the forfeited armed service retirement credit to be reclaimed.
- Exempts State Employees' Retirement System (TSERS) and Local Governmental Employees' Retirement System (LGERS) death benefits from overpayment offsets.
- Allows TSERS and LGERS pension-spiking restoration payments to offset after a return to service and subsequent re-retirement.
- Clarifies that the TSERS benefit pause does not apply to service as a member of Legislative Retirement System (LRS.) As of July 1, 2026, LRS members continue to receive benefits if they become members of TSERS or Consolidated Judicial Retirement System (CJRS); however, LRS members whose benefits had already been suspended would not have benefits reinstated until withdrawing from TSERS or CJRS.
- Requires submissions to the Firefighters' and Rescue Squad Workers' Pension fund to be made electronically.
- Pauses the withdrawal of Supplemental Income Retirement Plan contributions by State and local law enforcement officers convicted of a felony while the administrator determines if the officer is subject to felony forfeiture.
- Allows the State Treasurer and the Boards of Trustees of TSERS and LGERS to establish compensation plans for designated employees of each retirement system, who would be exempt from many of the provisions of the State Human Resources Act.
- Allows the State Treasurer to retain private counsel to represent the retirement systems.
- Allows $100 per diem payments to various Board of Trustees members.
- Clarifies that if there is more than one designated and living beneficiary when a TSERS or LGERS member dies, and a beneficiary elects to renounce the share of the accumulated contributions, that renunciation will not result in another beneficiary becoming eligible to receive the accumulated contributions.
- Clarifies that Legislative Enactment Implementation Arrangement (LEIA) assets can be used (i) to implement retirement-related legislation and (ii) for administrative and information technology purposes necessary to prevent interruption of normal operation of the retirement systems.

The provisions of Part I pertaining to armed service credited restoration become effective January 1, 2027. The provisions regarding LRS benefit suspension became effective July 1, 2026. The provisions regarding LEIA assets became effective July 1, 2026. The provisions related to per diem payment became effective July 7, 2026, and apply to sessions of the Board of Trustees on or after that date. The remainder of Part I became effective July 7, 2026.