



FISCAL NOTE

Senate Bill 68

Committee: Finance and Taxation General Fund Sponsor: Senator Clyde Chambliss

Analyst: Peter Grogan

Date: 04/05/2023

Senate Bill 68 Senate Bill 68 as introduced would allow Tier II state policemen to: (1) withdraw from service at the age of 52, with at least 10 years of creditable service; (2) withdraw from service after completion of at least 25 years of creditable service, regardless of age; and (3) provide one-year of hazardous duty time for every 5 years of creditable service.

According to the actuary for the Retirement Systems of Alabama, this act would increase the unfunded liability of Employees' Retirement System (ERS) by an estimated \$13.3 million. This liability may be offset by increasing the ERS employer contribution rate paid by the Alabama Law Enforcement Agency (ALEA) in FY 2024 for State Police Tier II by 6.26% and by decreasing the ERS employer contribution rate for State Police Tier I by 0.43%. The net estimated increase in employer contributions for State Police in FY 2024 is an estimated \$2.8 million annually (based upon current payroll data). However, this increase in the employer contributions paid by ALEA would be offset partly by the decrease in ALEA's employer contributions to the ERS plan for the legacy FLC employees of approximately \$537,000.