



FISCAL NOTE

Senate Bill 173

Committee: Finance and Taxation General Fund Sponsor: Senator Robert Stewart

Analyst: Cary Dean

Date: 02/19/2025

Senate Bill 173 as introduced would provide for the establishment of a state facilitated retirement savings program for private sector employees of eligible and participating employers who opt to enroll in and allow automatic payroll deductions and contributions into individual IRA retirement savings accounts through their employers. This bill would require a minimum employee contribution amount of 3% and require the contributions for the individual retirement accounts to be deposited into the new Alabama Retirement Savings Program (ARSP) Fund, established pursuant to the provisions of this bill.

In addition, this bill would increase the administrative obligations of the Alabama Department of Workforce, by an undetermined amount, to provide for the design, management, and the investment of funds for the program pursuant to the provisions of this bill. This bill would further require: (1) the operating costs of the program to be funded from administrative fees assessed on the total balance of the ARSP Fund, not to exceed .75 percent of the Fund's total balance for the first three years and not to exceed .6 percent thereafter; and (2) all administrative fees to be deposited into the new Alabama Retirement Savings Administrative (ARSA) Fund, created within the State Treasury by this bill. Additionally, this bill would, subject to legislative appropriation, allow startup administrative costs of the program to be paid by the State until sufficient assets become available in the ARSA Fund, with the stipulation that the State funds be repaid.