



FISCAL NOTE

House Bill 136

Committee: Fiscal Responsibility

Sponsor: Representative Teri Collins

Analyst: Cary Dean

Date: 02/18/2025

House Bill 136 as introduced would reopen participation in the Deferred Retirement Option Program (DROP) to certain members of the Teacher's Retirement System (TRS) that are classroom teachers. This bill would prohibit participation in DROP after July 31, 2031. According to the actuary for the Retirement Systems of Alabama, this bill would increase the unfunded actuarial accrued liability of TRS by \$159.1 million; however this increase could be offset by an increase in the employer contributions paid to the TRS of 0.24% percentage points for Tier I members and 0.17% percentage points for Tier II members.