

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

February 28, 2005

TO: Honorable Craig Eiland, Chair, House Committee on Pensions & Investments

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB1114 by Nixon (Relating to contributions by and benefits for certain members and retirees under the Judicial Retirement System of Texas Plan Two.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
--

The proposal would increase benefits for members of the Judicial Retirement System Plan II (JRS II). This will increase long-term costs to the state. The fund currently has a surplus, and the JRS II actuary did not calculate any additional required contributions for the 2006-07 biennium.

The above analysis does not consider the combined impact with a judicial salary increase. The plan assumes annual 4 percent salary increases; however if an increase were larger, it could reduce the actuarial surplus, and the plan might require additional contributions to remain actuarially sound.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System

LBB Staff: JOB, SR, WP, WM