

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 19, 2005

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

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 One and Plan Two.), **Committee Report 2nd House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The proposal would increase benefits for members of the Judicial Retirement System Plan II (JRS II), resulting in a \$5.6 million increase in liabilities. 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.

There would be additional costs to the State for JRS I. These are not estimated to be significant for the next several years.

The above analysis does not consider the combined impact with a judicial salary increase and other benefit increases. 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