

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 13, 2005

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

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

IN RE: HB1809 by McReynolds (Relating to benefits from the Employees Retirement System of Texas for law enforcement officers commissioned by the Texas Department of Insurance or the state fire marshal.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would add commissioned law enforcement officers at the Texas Department of Insurance and the state fire marshal to the list of members of the Employees Retirement System (ERS) who receive law enforcement officer credit for their service, thereby becoming eligible for earlier retirement and additional benefits under the Law Enforcement and Custodial Officers Supplemental Retirement Fund (LECOS). This would add to the actuarial accrued liability of LECOS and ERS, as well as to the normal cost of ERS, though the costs would not be significant. However, Government Code 811.006 states that if the amortization period of the system is over 30 years, a proposal to make a type of service creditable in ERS may not be adopted if it would increase the amortization period. The ERS actuary estimates that unless the state contribution to ERS is raised to 7.045 percent in 2006 and 7.071 percent in 2007, passage of this bill would violate that provision.

The bill would take effect September 1, 2005.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System, 454 Department of Insurance

LBB Staff: JOB, SR, WP, WM