LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 9, 2005

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

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

IN RE: **SB179** by Wentworth (Relating to retirement benefits for visiting judges.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for SB179, As Engrossed: a negative impact of ($790,000) through the biennium ending August 31, 2007.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2006	($390,000)
2007	($400,000)
2008	($410,000)
2009	($420,000)
2010	($420,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable (Cost) from *GENERAL REVENUE FUND* 1
2006	($390,000)
2007	($400,000)
2008	($410,000)
2009	($420,000)
2010	($420,000)

Fiscal Analysis

The bill would extend a 10 percent benefit factor increase for members of the Judicial Retirement System Plan I (JRS I) and JRS Plan II (JRS II) who were visiting judges within a year of their retirement, as per current statute, to those who retired prior to Fiscal Year 2002, when this provision became effective.

Methodology

The fiscal impact is shown as the estimated increase in annual annuity payments for JRS Plan I judges. Since the plan is not advance funded, but pay-as-you-go funded, the benefit increase is a cost to the General Revenue Fund. This impact would be greater if there were a separate increase in judicial salaries.

There is no fiscal impact shown for JRS II. The proposal would not increase the actuarial normal cost, though it would decrease the actuarial net asset balance slightly.

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