

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 26, 2007

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

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

IN RE: HB155 by Pickett (Relating to correcting errors in the distribution of benefits by a public retirement system.), **Conference Committee Report**

No significant fiscal implication to the State is anticipated.

The bill would require public retirement systems to issue notices to members in the event of an error in calculation of payments, would limit the period during which recoveries of overpayments could be made, and would establish a complaint process regarding errors in payment calculations. To the extent that limitations placed on the period during which a system has to recover funds associated with overpayments prevents recovery, systems would incur a loss. The extent of potential losses cannot be estimated.

Local Government Impact

The Texas County and District Retirement System reports that it could cost up to \$151,000 per year in legal fees and administrative costs to respond to complaints filed by error notice recipients.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System

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