

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

February 28, 2007

TO: Honorable Vicki Truitt, Chair, House Committee on Pensions & Investments

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.), **As Introduced**

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 of 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

LBB Staff: JOB, KJG, UP, JSc