

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 2, 2007**

**TO:** Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

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

**IN RE: HB957** by Orr (Relating to participation by certain state employees in a default investment product under a deferred compensation plan.), **As Engrossed**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would make participation in the 401(k) plan automatic for any new employee hired after January 1, 2008 unless the employee elects not to participate. The employee would contribute a minimum of 1 percent to a default investment product selected by the board of trustees. The payroll deduction would be made automatically and would not require written consent of the employee.

It is anticipated by the Employees Retirement System that any administrative costs associated with implementing the provisions of the bill could be absorbed within existing TexaSaver program resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 327 Employees Retirement System

**LBB Staff:** JOB, MN, KJG, MS, JW