

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

<p>No significant fiscal implication to the State is anticipated.</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, KJG, MS, JW