

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

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**March 17, 2009**

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

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

**IN RE: HB2559** by Truitt (Relating to the powers and duties of the Employees Retirement System of Texas.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend various sections of the Government Code and Insurance Code to clarify various definitions and modify other administrative processes. The bill would take effect September 1, 2009.

Changes include the following: (1) Clarify that any insurance coverage provided under the supplemental optional benefits program is group coverage; (2) Establish Travis County as the venue for any litigation and the general statute of limitations applicable to ERS claims as two years; (3) Allow ERS to return unclaimed benefits to the contribution account if no claim is made in four years; (4) With regard to optional annuities, add an option to receive a 75 percent annuity to statute (as currently in rule); (5) Clarify a person can not be employed by the state, or on leave without pay, and qualify for disability retirement; (6) Clarify the definitions of "incapacitated" and "comparable pay" with regard to disability eligibility; (7) Clarify ERS' subpoena authority to include investigative subpoenas, and allow ERS to recover legal fees from third parties for improper claims; (8) Clear up duplicate code provisions; (9) Allow ERS to return unclaimed contributions to a member or the member's heirs after seven years of inactive status, or otherwise allow the trust fund to retain the contributions; (10) Direct ERS to refund any monetary contributions used to add service credit if the credit is not used to calculate an annuity; (11) Clarify that the term of a judge leaving office ends December 31; (12) Clarify insurance eligibility under the optional retirement program; (13) Allow surviving spouses and dependents to enroll in group health plans on the death of a member; and (14) Clarify that unclaimed benefits may be deposited to the insurance trust fund.

ERS reports that some of its administrative processes would be streamlined, but the bill would have no significant fiscal impact on the retirement system.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 327 Employees Retirement System

**LBB Staff:** JOB, JRO, MS, DEH