

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

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

**May 20, 2009**

**TO:** Honorable Robert Duncan, Chair, Senate Committee on State Affairs

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

**IN RE: HB3634** by Geren (Relating to creditable service in the Employees Retirement System of Texas and the transfer of that credit between classes of membership for certain state employees.), **As Engrossed**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would add Section 813.201(d) and 813.503(e) to the Government Code and amend Section 813.503(a) of the Government Code to require that the members or retirees of the elected class who served in the House of Representatives and who hold a position as an employee of the House of Representatives may accrue service credit for that position only if they are a full-time employee working 40 or more hours a week. Additionally, these members or retirees may transfer service credit between the employee and elected classes only if the service credited in the employee class was as a full-time employee.

The bill would take effect September 1, 2009, or immediately upon a two-thirds vote of all members of each house.

The Employees Retirement System (ERS) has determined that the bill's provisions would only affect two people, and would have no impact on the projected funded ratio, actuarially sound contribution rate or normal cost rate. The ERS actuary for pension matters reports that no additional state contributions will be required as a result of the bill's provisions. The actuary reports that the bill would result in a small decrease in the unfunded accrued liability.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 327 Employees Retirement System

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