

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 8, 2009

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

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

IN RE: SB1358 by Seliger (Relating to optional annuity increases for certain retirees and beneficiaries of the Texas Municipal Retirement System.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend the Government Code to create an alternative formula for providing a cost-of-living adjustment (COLA) for retirees under the Texas Municipal Retirement System (TMRS).

Local Government Impact

According to TMRS, the bill would have no automatic fiscal impact on a municipality because COLAs are provided at the election of the individual municipality that participates in TMRS. However, provisions of the bill could affect the actuarial cost of COLAs if a municipality chooses to provide a COLA using one of the proposed alternative formulas. Information on the actuarial impact is included in a separate document.

The fiscal impact to municipalities would depend on the formulas a municipality chooses to implement.

Source Agencies:

LBB Staff: JOB, JRO, JB, KJG, DB