

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 17, 2011

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

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

IN RE: HB159 by Raymond (Relating to the resumption of employment by certain retirees within the Texas Municipal Retirement System.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend the Government Code to allow an individual who has retired from the Texas Municipal Retirement System (TMRS) and who has returned to work at the municipality at least eight years since the date of retirement, to receive an supplemental payment after they re-retire from the municipality. The supplemental payment would be equal to the value of the annuity payments including Cost of Living Adjustments (COLAs), as applicable, which were suspended during their period of reemployment with the municipality. The bill would apply to retirees who returned to work prior to the effective date of the Act but have not re-retired, and those who return to work after the effective date of the Act.

The bill would take effect immediately if it receives a vote of two-thirds of all members elected to each house. If the bill does not receive the votes required to pass, the bill would take effect September 1, 2011.

Local Government Impact

According to TMRS, six retirees have returned to returned to work with the municipality from which they retired after having been retired for eight years. A total of 14,435 have been retired from TMRS for at least eight years and who have not returned to work at a municipality participating in TMRS. Although the number of current TMRS retirees that would return to work due to the enactment of this bill cannot be determined, there would be costs associated with reprogramming both internal computer systems and actuarial systems used by the outside actuary. However, these costs would not be significant based on fiscal impact criteria. Additionally, the costs to municipalities for contributions to make up for the lump-sum payment would likely not be significant.

Source Agencies:

LBB Staff: JOB, KJG, AG, TP, WM, DH