

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 21, 2013

TO: Honorable Bill Callegari, Chair, House Committee On Pensions

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB99 by Perry (Relating to the state contributions to the Teacher Retirement System of Texas.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>

The bill would amend Government Code Section 825.404 to add Subsection (a-1) to establish the state's matching retirement contribution rate to the Teacher Retirement System (TRS) to be not less than the rate of the federal Old-Age, Survivors, and Disability Insurance (OASDI), which is currently 6.2. percent. The bill would have no fiscal impact since the current state contribution rate is 6.4 percent. According to TRS, if the state retirement contribution rate to TRS were to increase, the estimated cost to the General Revenue Fund for the 2014-2015 biennium would be approximately \$25 million per one-tenth of one percent.

The bill would apply to state contributions made to TRS on or after September 1, 2013. The bill would take effect on September 1, 2013, or immediately with a two-thirds vote of the Legislature.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System

LBB Staff: UP, RB, JSc, JW