

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 14, 2013

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1578 by Duncan (Relating to the calculation of a service retirement annuity for certain members of the elected class.), **As Introduced**

No significant fiscal implication to the State is anticipated.
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The bill would amend Government code to identify the salary used to calculate the standard service retirement annuity for members of the legislature and persons who hold state offices and are not included in the Judicial Retirement System Plans. The calculation would be based on the salary being paid to a state district judge as of August 31, 2013, excluding longevity pay.

The Employees Retirement System anticipates that the bill would reduce the unfunded liability of the ERS Plan by approximately \$45 million and decrease the projected actuarially sound contribution rate from 18.94 percent to 18.85 percent of payroll. ERS assumes no future increases in the state salary of a district judge after August 31, 2013.

The bill would take effect September 1, 2013.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System

LBB Staff: UP, AG, EP, EMo