

BILL ANALYSIS

C.S.H.B. 3182
By: Fallon
Pensions
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that exorbitant pensions from public retirement systems are inherently unfair to the taxpayer and that current law is not sufficient in this regard. C.S.H.B. 3182 seeks to address this issue.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3182 amends the Government Code to cap the service retirement annuity for service credit accrued by a member of a public retirement system who becomes a member on or after September 1, 2015, and is eligible to retire at the lesser of the basic pay of a member of the United States armed forces on active duty at the highest salary for pay grade O-10 as defined by federal law or the annual rate of basic pay for a position under level II of the Executive Schedule as defined by federal law.

EFFECTIVE DATE

September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3182 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Chapter 810, Government Code, is amended by adding Section 810.002 to read as follows: <u>Sec. 810.002. LIMIT ON AMOUNT OF SERVICE RETIREMENT ANNUITY. (a)</u>	SECTION 1. Chapter 810, Government Code, is amended by adding Section 810.002 to read as follows: <u>Sec. 810.002. LIMIT ON AMOUNT OF SERVICE RETIREMENT ANNUITY. (a)</u>

In this section, "public retirement system" has the meaning assigned by Section 802.001.

(b) Notwithstanding any other law, the service retirement annuity for service credit accrued by a member of a public retirement system who becomes a member on or after September 1, 2015, and is eligible to retire may not exceed the gross salary of a member of the United States armed forces on active duty at the highest salary for pay grade O-10 as defined by 37 U.S.C. Section 201(a).

SECTION 2. This Act takes effect September 1, 2015.

In this section, "public retirement system" has the meaning assigned by Section 802.001.

(b) Notwithstanding any other law, the service retirement annuity for service credit accrued by a member of a public retirement system who becomes a member on or after September 1, 2015, and is eligible to retire may not exceed the lesser of:

(1) the basic pay of a member of the United States armed forces on active duty at the highest salary for pay grade O-10 as defined by 37 U.S.C. Section 201(a); or

(2) the annual rate of basic pay for a position under level II of the Executive Schedule as defined by 5 U.S.C. Section 5313.

SECTION 2. Same as introduced version.