

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

April 6, 2015

TO: Honorable Dan Flynn, Chair, House Committee on Pensions

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB3310** by Paul (Relating to the funding policies, actuarial valuations, and reporting requirements of certain public retirement systems.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code to make disclosure and reporting requirement changes for certain public retirement systems. The bill would require certain public retirement systems to formulate and adopt a funding policy to enable the system to maintain actuarial soundness. The bill would require the public retirement system to submit certain documents to the State Pension Review Board and notify the governmental entity if the system receives a validation indicating the system is not actuarial sound. Under the provisions of the bill, if a system receives a certain number of actuarial valuations indicating the system is not actuarial sound, the retirement system and the governmental entity would be required to develop a written plan to restore funding to an adequate level.

Local Government Impact

There would be administrative costs associated with conducting, formulating, and implementing a plan to obtain actuarial soundness for applicable public retirement systems.

According to the Pension Review Board, the bill would have a positive actuarial effect on public retirement systems that adopt and adhere to a funding policy that is actuarially sound.

Source Agencies: 326 Texas Emergency Services Retirement System, 338 Pension Review Board

LBB Staff: UP, AG, SD, EK, KFa