

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATURE 1st CALLED SESSION - 2017

August 8, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB213 by Fallon (Relating to the maximum service retirement annuity for members of public retirement systems.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Government Code to limit the maximum service retirement annuity for members of public retirement systems to the lesser of: 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); or the annual basic pay rate for a position under Level II of the Executive Schedule as defined by 5 U.S.C Section 5313.

The Employees Retirement System of Texas indicates that the bill would not have a significant fiscal impact. The Teachers Retirement System of Texas indicates that the bill would have no fiscal implication and estimates that fewer than one hundred members would be affected. The Texas Emergency Services Retirement System indicates that the bill would have no fiscal impact.

The bill would take effect December 1, 2017 and apply to individuals who become members on or after that date.

Local Government Impact

According to the Texas County and District Retirement System (TCDRS), no significant fiscal impact to TCERS is anticipated.

According to the Texas Municipal Retirement System (TMRS), under the provisions of the bill, no direct costs to participating municipalities are anticipated. This is because the System would be responsible for determining whether annuities are above or below the statutory threshold.

Source Agencies: 323 Teacher Retirement System, 326 Texas Emergency Services Retirement System, 327 Employees Retirement System

LBB Staff: UP, KFa, JGA, AG, NV, TSI, ASa