

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 17, 2017

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

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB4035** by Flynn (Relating to eligibility and contributions for coverage under the state employee group benefits program and health benefit plans offered by certain university systems.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would allow a retiree under the state employee group benefits program or the uniform programs offered by certain university systems to authorize the retirement system to deduct the amount of the contribution and any qualified health insurance premium from the retiree's regular monthly service or disability retirement annuity payment. The bill also allows certain employees to combine their years of service in a position for which the employee was eligible to participate in the group benefits program in order to be eligible to deduct from their annuity payment. The bill would allow a university system to consider an employee eligible to continue participating in the uniform program during a break in service during the summer months if the system reasonably expects the employee will be reemployed after the break in service.

Based on information provided by The University of Texas System, Texas A&M University System, and the Teacher Retirement System, it is assumed that any costs associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would take effect immediately if it receives a two-thirds vote, otherwise it would take effect on September 1, 2017.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 327 Employees Retirement System, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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