

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 24, 2019

TO: Honorable Jim Murphy, Chair, House Committee on Pensions, Investments & Financial Services

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB183** by Stephenson (Relating to a pension revenue enhancement plan for the Teacher Retirement System of Texas.), **As Introduced**

The fiscal implications of the bill cannot be determined at this time, as the number of participants and net impact per participant are unknown.

The bill would amend the Government Code to establish the pension revenue enhancement plan, in which the plan's board of trustees would purchase life insurance policies on behalf of certain members of the Teacher Retirement System who chose to participate. To pay the premium of a life insurance policy, the bill would allow the trustee or plan manager to obtain a loan that would be repaid from the proceeds of the life insurance policy. The trustee would be allowed to use pension revenue enhancement plan trust funds to make contributions to the retirement system.

The number of members who would participate in the program and the net cost or cost savings per participant are unknown. Therefore, the fiscal implications cannot be determined at this time.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System

LBB Staff: WP, CMa, AM, ASa, KFB