

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: HB210 by Craddick (Relating to the service retirement annuity for certain members of the Judicial Retirement System of Texas Plan Two.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code to recalculate the annuity of a member of Judicial Retirement System Plan Two (JRSII) who is otherwise eligible to retire and reaches the mandatory retirement age. The annuity recalculation would include any increase in the state salary that takes place on or before the one-year anniversary of the member's retirement. The agency estimates that the additional state contribution required to implement this bill would average approximately \$60,000 in All Funds annually in fiscal years 2020 through 2024.

The provisions of the bill would increase benefits for JRSII, and Government Code 840.106 requires that legislation increasing the actuarial cost of JRSII only be implemented if the system is actuarially sound. Actuaries indicate that the additional state contribution to comply with statute is estimated to average approximately \$380,000 in All Funds annually in fiscal years 2020 through 2024. This amount is in addition to the cost of the provisions of the bill described above.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System

LBB Staff: WP, CMa, NV, KFB