

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 1, 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: HB2472 by Gutierrez (Relating to retirement benefits for certain peace officers who are members of the Teacher Retirement System of Texas, including the creation of a peace officer supplemental retirement fund.), **As Introduced**

No significant fiscal implication to the State is anticipated, as this analysis assumes existing statutory provisions would prevent the bill's provisions from taking effect.

The bill would amend the Government Code to reduce retirement eligibility requirements related to age and years of service credit and to establish new disability retirement benefits for certain Teacher Retirement System (TRS) members who serve as peace officers at school districts or institutions of higher education. The bill would also establish the peace officer supplemental retirement fund and provide an additional annuity payable to certain peace officers from the fund. For service rendered on or after December 31, 2019 the bill would establish an additional TRS member contribution for peace officers equal to 0.5 percent of annual compensation and an additional state contribution equal to 2.13 percent of peace officer annual compensation.

Current law prohibits the establishment of a new benefit payable from Teacher Retirement System Trust Account Fund 960 unless the amortization period required to pay off the fund's actuarially accrued unfunded liability would be less than 31 years after the creation of the benefit. TRS assumes the amortization period following enactment of the bill would be 101 years. Therefore, this analysis assumes the provisions of the bill would not take effect.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System

LBB Staff: WP, ASa, CMa, AM