

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 10, 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: HB3599** by Huberty (Relating to certain increases in benefits under the firefighters' relief and retirement fund in certain municipalities.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend the Revised Statutes to modify certain retirement benefits paid to members of the Houston Firefighters' Relief and Retirement Fund (HFRRF) who retired prior to July 1, 2017. The bill would change the eligibility age to receive a cost-of-living-adjustment for members who terminated active service for any reason other than death prior to July 1, 2017 and is or would have been at least 48 years old as of June 30, 2021.

**Local Government Impact**

The current plan grants a cost-of-living-adjustment for members who are 55 years of age or older on June 30, 2021.

The actuarial analysis states that there are 17 non-disabled retired members who would benefit from the bill since they would be 48 years of age but not age 55 as of June 30, 2021. This would increase the unfunded actuarial accrued liability by approximately \$614,000 and increase the required employer contribution by 0.02 percent of payroll. Under the current Pension Review Board (PRB) Pension Funding Guidelines, funding should be sufficient to cover the normal cost and to amortize the unfunded actuarial accrued liability over as brief a period as possible, but not to exceed 30 years, with 10-25 years being the preferable target range. The PRB actuarial review states that HFRRF is currently actuarially sound. Under the provisions of this bill, HFRRF would remain actuarially sound.

**Source Agencies:**

**LBB Staff:** WP, CMa, SD, GP