

Amend SB 321 (house committee printing) as follows:

- (1) Strike page 1, line 5, through page 5, line 25.
- (2) On page 6, lines 3 and 4, strike "the [~~each member's~~] compensation of each member, other than a cash balance group member," and substitute "each member's compensation".
- (3) Strike page 7, line 10, through page 8, line 4.
- (4) Strike page 8, line 20, through page 15, line 3.
- (5) Add the following appropriately numbered SECTION to the bill:

SECTION _____. (a) The Employees Retirement System of Texas shall conduct a study to evaluate the feasibility and anticipated financial impact of transitioning from providing retirement benefits to new members of the system through the existing defined benefit plan to providing those benefits through a cash balance benefit that provides individual accounts to members. In conducting the study required by this section, the system shall review and evaluate the impact transitioning to a cash balance benefit will have on the state's workforce, taking into consideration:

- (1) the impact implementing the benefit will have on the unfunded actuarial accrued liability of the system;
- (2) the impact implementing the benefit will have on the state's ability to attract and maintain a competitive workforce;
- (3) the likelihood that a cash balance benefit will provide adequate and competitive retirement security for state employees; and
- (4) the experience and outcome of other states that have transitioned from providing retirement benefits to the states' employees under a traditional defined benefit plan to providing retirement benefits through a cash balance benefit.

(b) The Employees Retirement System of Texas may consult with anyone the system determines appropriate to conduct the study and prepare the report required by this section, including outside experts and other state agencies, including the State Pension Review Board, the Legislative Budget Board, the state auditor's office, and the Texas Department of Insurance.

(c) Not later than September 1, 2022, the Employees Retirement System of Texas shall report the system's findings and recommendations to the governor, the lieutenant governor, the speaker of the house of representatives, and each member of the legislature. The system shall include in its recommendations specific statutory and regulatory changes that the system determines necessary or appropriate to implement its recommendations.

(d) This section expires September 15, 2022.

(6) Renumber the SECTIONS of the bill appropriately.