

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 12, 2021

TO: Honorable Rafael Anchia, Chair, House Committee on Pensions, Investments & Financial Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2109** by Wu (relating to preventing the loss of benefits by certain retirees of the Teacher Retirement System of Texas who resume service.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill provides that if the Teacher Retirement System (TRS) determines that a retiree who has returned to work is in violation of employment after retirement (EAR) laws and rules, TRS shall first provide a written warning regarding the consequences of further employment that exceeds EAR limitations. If, after the retiree has been notified, the member is still in violation, TRS would be required to provide notice to the retiree and either require the retiree to pay a prorated amount of their annuity that is attributable to when the violation occurred, or pay TRS the difference between the amount of hours the retiree was permitted to work and the amount of hours the retiree actually worked. If the retiree were still in violation after the second notice, TRS would be authorized to withhold the entire monthly annuity.

This analysis assumes that the provisions of the bill could be absorbed by TRS using existing resources.

According to the actuarial impact statement provided by the Pension Review Board, it is unlikely the bill would have an impact on the actuarial soundness of TRS.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 323 Teacher Retirement System, 338 Pension Review Board

LBB Staff: JMc, AAL, KK, AH, RSTE