

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 13, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB3507** by Rogers (relating to a one-time supplemental payment of benefits under the Teacher Retirement System of Texas.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated. However, there would be an impact to the Teacher Retirement System which could impact the actuarial soundness of the fund.</p>

The bill provides a one-time supplemental payment to eligible retirees as of December 31, 2020. The payment would be the lesser of the annuitant's current monthly benefit or \$2,400.

According to the actuarial impact statement provided by the Pension Review Board, the Teacher Retirement System (TRS) is currently actuarially sound, with an amortization period of 26 years. The projected funding period of TRS would increase to 27 years following the passage of this bill.

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, AH, RSTE