

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 15, 2021

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3929 by Bernal (Relating to the loss of benefits of and the payment of certain employer contributions for certain retirees of the Teacher Retirement System of Texas who resume service.), **As Introduced**

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.

The bill would amend Section 824.602(a), Government Code to state that the retirement system may not withhold a monthly benefit payment if the retiree is employed in a Texas public educational institution in a position on as much as a full-time basis that is necessary, as determined by the board of trustees, for implementing a special education program under Subchapter A, Chapter 29, Education Code.

According to the actuarial impact statement provided by the Pension Review Board, the bill could have a significant negative impact on the actuarial soundness of TRS.

Local Government Impact

The bill could provide a positive impact to reporting school districts who would not be required to pay certain fees under Government Code section 825.4092 for retirees employed in a position necessary, as determined by the board of trustees, for implementing a special education program under Subchapter A, Chapter 29, Education Code.

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

LBB Staff: JMc, AAL, AH, RSTE