

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

May 28, 2021

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB288 by Seliger (Relating to preventing 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.),
Conference Committee Report

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| <p>No significant fiscal implication to the State is anticipated.</p> |
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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, the bill would not have a meaningful effect on the actuarial soundness of the TRS plan.

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, CMA, AH, RSTE, JPO, AAL, KK