

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**March 14, 2023**

**TO:** Honorable Giovanni Capriglione, Chair, House Committee on Pensions, Investments & Financial Services

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB1393** by Frank (Relating to an optional service retirement annuity of the Employees Retirement System of Texas.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would allow a member of the Employees Retirement System (ERS) pension plan who is eligible for an unreduced service retirement annuity the ability to select a service retirement annuity option that provides for cost-of-living adjustments. ERS would provide the periodic increases by reducing benefits at the beginning of the member's retirement. The service retirement annuity option would be required to be actuarially equivalent to the standard annuity, and the annuity and periodic adjustments would be required to result in no actuarial loss to the retirement system.

According to ERS, though some initial costs would be expended for actuarial development and pension system changes needed to implement the bill, no significant fiscal impact is anticipated from the provisions of the bill.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 327 Employees Retirement System

**LBB Staff:** JMc, MOc, LCO, JPO