

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 10, 2025

TO: Honorable Stan Lambert, Chair, House Committee on Pensions, Investments & Financial Services

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4609 by Dean (Relating to participation in, administration of, contributions to, and benefits under the Texas Municipal Retirement System.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code as it relates to the administration, contributions, and benefits under the Texas Municipal Retirement System.

No significant impact to the state is anticipated from implementing the provisions of the bill.

Local Government Impact

According to the Texas Municipal Retirement System (TMRS), among other things, the bill would add cost of living adjustments (COLA) of 40 percent and 60 percent to the current options of 30 percent, 50 percent, and 70 percent. The impact on a participating city's unfunded liabilities would depend on what, if any, if these options a city chose to make to its current benefits.

According to TMRS, the bill would allow participating cities to select COLA and Updated Service Credit (USC) benefit options independent of each other, and this provision could result in lower unfunded liabilities for certain cities.

According to TMRS, other provisions of the bill could result in lower costs and unfunded liabilities for certain cities, and none of the provisions of the bill would reduce a current retiree's monthly benefit.

Source Agencies: 338 Pension Review Board, 360 State Office of Administrative Hearings

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