

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 22, 2025

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

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB4802 by Cook (Relating to certain benefits payable by the Judicial Retirement System of Texas Plan One and the Judicial Retirement System of Texas Plan Two.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB4802, As Introduced: a negative impact of (\$62,407,841) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$61,221,950)
2027	(\$1,185,891)
2028	(\$1,185,891)
2029	(\$1,185,891)
2030	(\$1,185,891)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>
2026	(\$61,221,950)
2027	(\$1,185,891)
2028	(\$1,185,891)
2029	(\$1,185,891)
2030	(\$1,185,891)

Fiscal Analysis

The bill would direct the Employees Retirement System of Texas (ERS) to increase the annuity by 7.5 percent to certain members of Judicial Retirement System of Texas Plan One (JRS 1) and Judicial Retirement System of Texas Plan Two (JRS 2). A 7.5 percent increase would be applied on September 1, 2025, and an additional 7.5 percent increase would be provided on September 1, 2026.

Methodology

According to ERS, the provisions of the bill affecting JRS 1 would result in General Revenue costs of \$1.1 million in fiscal year 2026 and \$1.2 million in fiscal year 2027 and subsequent years.

According to ERS, in order to avoid new liabilities the entire benefit enhancement for JRS 2 would be pre-funded and result in a one-time cost of \$60,118,795 in General Revenue in fiscal year 2026 and no cost in subsequent years.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 327 Employees Retirement System

LBB Staff: JMc, FV, LCO, JPO, NV