

SUBJECT: Prohibiting elected officials from collecting pension while in office

COMMITTEE: Pensions — favorable, without amendment

VOTE: 7 ayes — Flynn, Alonzo, Hernandez, Klick, Paul, J. Rodriguez,
Stephenson

0 nays

WITNESSES: For — (*Registered, but did not testify*: David Crow, Arlington
Professional Fire Fighters; Lon Burnam, Public Citizen; Annie Mahoney,
Texas Conservative Coalition)

Against — None

On — Robin Hardaway, Employees Retirement System

BACKGROUND: Government Code, sec. 813.503 allows a member of the elected class to transfer service credit to the employee class under certain conditions. If these members meet specified criteria, they may retire from the employee class and receive a service retirement annuity, according to sec. 814.104.

DIGEST: HB 408 would prevent members of the elected class, except a district attorney or criminal district attorney, from transferring their service credited in the elected class to the employee class until they left office.

The bill also would prevent members of the elected class from retiring and receiving a service retirement annuity that was based on service credit transferred to the employee class from the elected class until they left office.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2015, and would apply to an elected official who took an oath of office on or after that date.

SUPPORTERS HB 408 would ensure that elected officials did not get paid twice for the
SAY: same job by receiving both public pension benefits and their state salaries.

The bill would eliminate the disparity between members of the elected class and the employee class. Members of the employee class cannot begin receiving public pension benefits until after they leave their positions, and if they want to return to work after retiring, the agency that hires them must pay a surcharge. This bill would ensure that members of the elected class did not receive a benefit that was unavailable to the employee class.

HB 408 would not have a significant fiscal impact because the size of the elected class is small, but it would strengthen the public's trust and faith in elected officials. The bill would send a message that legislators' commitment to fiscal responsibility extended to their own salaries.

OPPONENTS This bill could prevent officials who had dedicated their lives to public
SAY: service from continuing to serve the state. Many elected positions in the
state receive small salaries, so some of the most experienced state officials
might be discouraged from continuing to serve if they could not begin
receiving their pension payments before leaving office.