

BILL ANALYSIS

Senate Research Center

H.B. 9
By: Flynn et al. (Huffman)
State Affairs
4/27/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 9 addresses the unfunded liability of the Texas Employees Retirement System through increased state and employee contributions.

H.B. 9 amends current law relating to member contributions to the Employees Retirement System of Texas.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 815.402(a), Government Code, as follows:

(a) Requires each department or agency of the state, except as provided by Section 813.201 (Current Service), each payroll period, to cause to be deducted from each member's compensation a contribution of:

(1) 9.5 percent of the compensation if the member is not a member of the legislature, for service rendered after August 31, 2015, and before September 1, 2017, rather than September 1, 2016.

(2) for service by a member who is not a member of the legislature rendered on or after September 1, 2017, the lesser of:

(A) 9.5 percent, rather than 7.5 percent, of the member's annual compensation; or

(B) a percentage of the member's annual compensation equal to 9.5 percent, rather than 7.5 percent, reduced by one-tenth of one percent for each one-tenth of one percent that the state contribution rate for the fiscal year to which the service relates is less than the state contribution rate established for the 2017 fiscal year, rather than 2015 fiscal year; or

(3) 9.5 percent, rather than eight percent, of the compensation if the member is a member of the legislature.

Deletes existing Subdivision (1) text requiring each department or agency of the state, except as provided by Section 813.201, each payroll period, to cause to be deducted from each member's compensation a contribution of 6.6 percent of the compensation if the member is not a member of the legislature, for service rendered after August 31, 2013, and before September 1, 2014.

Deletes existing Subdivision (2) text requiring each department or agency of the state, except as provided by Section 813.201, each payroll period, to cause to be deducted from each member's compensation a contribution of 6.9 percent of the

compensation if the member is not a member of the legislature, for service rendered after August 31, 2014, and before September 1, 2015.

Deletes existing Subdivision (4) requiring each department or agency of the state, except as provided by Section 813.201, each payroll period, to cause to be deducted from each member's compensation a contribution of 7.5 percent of the compensation if the member is not a member of the legislature, for service rendered after August 31, 2016.

SECTION 2. Effective date: September 1, 2015.