

BILL ANALYSIS

Senate Research Center
80R13603 CL-D

H.C.R. 187
By: McClendon et al. (Duncan)
State Affairs
5/16/2007
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Established in 1947 and safeguarded under Section 67, Article XVI, Texas Constitution, the Employees Retirement System of Texas (ERS) provides retirement benefits for state employees, elected state officials, and members of the judiciary and administers service to approximately 500,000 public employees and retirees from about 134 state agencies, 103 higher education institutions, and 121 counties.

In 1999, the 76th Texas Legislature provided for a supplemental retirement annuity for retired state employees in the form of a 13th check, and the next year ERS announced that it would issue this lump sum check to state employees who were retired on or before August 31, 2000; despite this assurance, retirees are still waiting to receive the promised benefit.

Current law permits the ERS board of trustees to adopt benefit enhancements if budget projections indicate that the ERS fund can pay all retirement benefits due current beneficiaries in less than 31 years; data suggests that the system's amortization period will remain under 31 years if ERS funding proposed by the General Appropriations Act, House Bill 1, 80th Texas Legislature, Regular Session, 2007, is maintained.

The hardworking employees of the State of Texas greatly contribute to the state and deserve proper compensation for their dedication and service to the citizens of Texas; it is imperative, therefore, that the legislature show its support for the supplemental annuity by firmly endorsing the issuing of a 13th check to retirees no later than September 2007.

RULEMAKING AUTHORITY

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

RESOLVED

That the 80th Legislature of the State of Texas hereby express its commitment to the state's retired public employees and support for the Employees Retirement System of Texas board of trustees exercising its statutory authority to provide eligible system beneficiaries with a supplemental annuity in the form of a 13th check.