

By: Bettencourt

S.B. No. 1750

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a study of the cost-effectiveness and feasibility of
3 implementing a hybrid retirement plan for newly hired state
4 employees and teachers.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. (a) In this section, "hybrid retirement plan"
7 means a retirement plan that combines elements of a defined benefit
8 plan, a defined contribution plan, or an individual retirement
9 savings account.

10 (b) The State Pension Review Board shall contract with a
11 nationally recognized actuarial firm to conduct a comprehensive
12 study to:

13 (1) compare the cost-effectiveness and feasibility of
14 creating and implementing a hybrid retirement plan for newly hired
15 state employees and teachers that is to be:

16 (A) provided instead of the existing retirement
17 benefit plans provided to state employees and teachers; and

18 (B) administered by the Employees Retirement
19 System of Texas or the Teacher Retirement System of Texas, as
20 appropriate; and

21 (2) evaluate the experiences of other municipalities
22 and states that have implemented a hybrid retirement plan for their
23 employees, including whether those entities experienced a
24 reduction in employee benefits or an increase in costs to the

1 entity.

2 (c) Any actuarial analysis conducted for purposes of the
3 study required by this section must be conducted by an enrolled
4 actuary under the Employee Retirement Income Security Act of 1974
5 (29 U.S.C. Section 1001 et seq.).

6 (d) Not later than September 1, 2018, the State Pension
7 Review Board shall submit a written report to the legislature
8 containing the findings of the study conducted under this section
9 together with the board's recommendations to the legislature
10 regarding the cost-effectiveness and feasibility of implementing
11 hybrid retirement plans for newly hired state employees and
12 teachers.

13 (e) This Act expires December 31, 2018.

14 SECTION 2. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2017.