

**LEGISLATIVE EDUCATION STUDY COMMITTEE  
BILL ANALYSIS**

**Bill Number:** HB 129a

**50th Legislature, 1st Session, 2011**

**Tracking Number:** .183591.1

**Short Title:** Returning Educational Retiree Payments

**Sponsor(s):** Representative Luciano “Lucky” Varela

**Analyst:** Craig J. Johnson

**Date:** February 22, 2011

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**AS AMENDED**

**The House Education Committee amendments add language in the title and the body of the bill to make payments made by a retired member nonrefundable.**

**Original Bill Summary:**

HB 129 amends the *Educational Retirement Act* to:

- require a retired Education Retirement Association (ERA) member, who returns to employment with a local ERA employer, to pay the same amount of member contributions that they would be paying if they were still employed; and
- remove the requirement for the employer to pay both the employer and employee contributions to the ERA fund.

**Fiscal Impact:**

HB 129 does not contain an appropriation.

**Fiscal Issues:**

- Currently, by law, the employer pays 100 percent of the contributions for retired employees who return to work.
- HB 129 will require the employee to pay the employee portion and reduces the employer contributions to only the employer portion, as opposed to the current situation where the employer pays both portions.
- The Legislative Finance Committee has estimated the General Fund savings that will result from shifting contributions to the return to work employee to be over \$4.8 million.
- HB 129 maintains the total contribution level to the ERA fund.

**Substantive Issues:**

According to the Public Education Department analysis, HB 129 may present an obstacle in recruiting and hiring retired educators.

**Related Bill(s):**

HB 133 *Delay Educational Retirement Contributions*