

Resolution expressing commitment to “13th check” for ERS retirees

HCR 187 by McClendon (Duncan)

DIGEST: HCR 187 would have expressed the Legislature’s support for the issuance of a “13th check” to Employees Retirement System of Texas retirees by September 2007.

**GOVERNOR’S
REASON FOR
VETO:**

“House Concurrent Resolution 187 expresses commitment to state retirees and support for the Employees Retirement System (ERS) Board of Trustees to provide a supplemental check (13th check) to retirees. I join the legislature in expressing my sincere respect and commitment to retirees and employees of the state of Texas. However, HCR 187 clearly contains major inaccuracies.

“House Concurrent Resolution 187 states that the 76th Texas Legislature provided for a 13th check for retired state employees and that retirees are still waiting to receive the promised benefit. This is simply untrue. ERS retirees received a 13th check in 2001 as well as a cost of living increase in January of 2002. The state spent approximately \$1 billion on the cost of living increase, bringing all retirees up to the same buying level as the date they retired.

“The resolution suggests that the ERS trust fund is actuarially sound (funded in 31 years or less) and that ERS has received sufficient appropriations for the fund to remain sound – both of which are contrary to the actual status of the ERS. Therefore, it is not possible for ERS to issue a 13th check to retirees.

“Because of the inaccuracies in HCR 187, I disapprove of this concurrent resolution because it misleads retired state employees to believe they will get a 13th check in 2007.”

RESPONSE: Rep. Ruth Jones McLendon, the resolution’s author, said: “At the time HCR 187 was filed, it appeared that the state’s contribution level to the ERS retirement fund would be set at an appropriate level, near 6.94 percent, to ensure the actuarial soundness of the ERS fund and support the 13th check for eligible retired employees. As it turned out, the appropriation level in the final version of HB 1 supported only 6.45 percent as the state’s contribution, which was unfortunately not sufficient to accomplish either goal.”

Sen. Robert Duncan, the Senate sponsor, had no comment on the veto.