

BILL ANALYSIS

H.B. 2414
By: Cortez
Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

There are concerns that many state employees cannot afford the automatic deductions from their paychecks for participation in an applicable 401(k) plan and that these employees may be unaware that they must affirmatively choose not to participate in such a plan in order to stop those deductions. H.B. 2414 seeks to address these concerns by eliminating the automatic enrollment of certain state employees in an applicable 401(k) plan and establishing participation on an opt-in basis instead.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2414 amends the Government Code to eliminate the automatic enrollment of certain state employees in a 401(k) plan and establish participation on an opt-in basis instead.

H.B. 2414 repeals Sections 609.5025(c) and (g), Government Code, establishing an automatic contribution made by an employee of an applicable state agency to a default investment product selected by the board of trustees of the Employees Retirement System of Texas for purposes of the employee's participation in a 401(k) plan under the TexaSaver program.

EFFECTIVE DATE

September 1, 2019.