

BILL ANALYSIS

Senate Research Center

H.B. 1780
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State Affairs
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Engrossed

DIGEST

Currently, the Employees Retirement System and the Teacher Retirement System both allow members to purchase creditable service in order to increase the total number of years upon which a retirement benefit is based. Sometimes members may have difficulty in purchasing creditable service under the current way these purchases are administered by either retirement system. This bill makes the process of purchasing creditable service at either retirement system easier by increasing the time period for purchasing creditable service and providing improved access to information regarding the purchasing of creditable service.

PURPOSE

As proposed, H.B. 1780 makes the process of purchasing creditable service at either the Employees Retirement System or the Teacher Retirement System easier by increasing the time period for purchasing creditable service and providing improved access to information regarding the purchasing of creditable service.

RULEMAKING AUTHORITY

Rulemaking authority is granted to the board of trustees of the Employees Retirement System in SECTION 1 (Section 813.104, Government Code) and to the Teacher Retirement System in SECTION 4 (Section 825.411, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 813.104, Government Code, as follows:

Sec. 813.104. ALTERNATIVE PAYMENTS TO ESTABLISH OR REESTABLISH SERVICE CREDIT. Authorizes the board of trustees of the Employees Retirement System (ERS) to adopt rules to provide procedures for making installment payments to establish or reestablish credit in ERS as alternatives to lump-sum payments otherwise authorized or required by this subtitle. Provides that the methods may include payment by payroll deduction. Deletes existing Subsections (a)-(c). Prohibits certain payments from being made under a rule adopted under this section. Deletes existing Subsection (g). Makes conforming and nonsubstantive changes.

SECTION 2. Amends Section 813.106, Government Code, to make a conforming change.

SECTION 3. Amends Section 813.510(d), Government Code, to make a conforming change.

SECTION 4. Amends Chapter 825E, Government Code, by adding Section 825.411, as follows:

Sec. 825.411. PAYROLL DEDUCTIONS FOR SERVICE CREDIT. Authorizes a contributing member who is otherwise eligible to establish or reestablish service creditable in the Teacher Retirement System (TRS) by making certain payments. Sets forth provisions regarding payments for service credit. Authorizes TRS to adopt rules to administer this section.

SECTION 5. Repealer: Section 813.105, Government Code (Payroll Deductions to Establish or

Reestablish Service Credit).

SECTION 6. Effective date: September 1, 1997.

SECTION 7. Emergency clause.