

## **BILL ANALYSIS**

Senate Research Center

S.B. 1536  
By: Ogden  
State Affairs  
3/31/1999  
As Filed

### **DIGEST**

Currently, the standard service retirement annuity for a public school employee is computed by formula that uses a percent multiplier and salary average. The formula dictates a two percent multiplier against the average of the three highest years of the employee's salary. From the multiple, which has not changed since 1977, the employee receives approximately 60 percent of the three years of salary. S.B. 1536 would establish a multiplier of 2.25 percent in the retirement annuity and death benefits for employees with 30 or more years of service.

### **PURPOSE**

As proposed, S.B. 1536 establishes a multiplier of 2.25 percent in the retirement annuity and death benefits for public school employees with 30 or more years of service.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 824.203, Government Code, by amending Subsections (a) and (e) adding Subsection (f), to create an exception to the annual standard service annuity. Provides that the annual standard service annuity is an amount computed on the basis of the member's average annual compensation for three years of service, whether consecutive or not, when the member received the highest annual compensation, times 2.25 percent for those with at least 30 years of service credit. Makes conforming changes.

SECTION 2. Sets forth requirements and incremental increase tables for the monthly payment of a death or retirement benefit annuity by the Teacher Retirement System.

SECTION 3. Effective date: September 1, 1999.

SECTION 4. Emergency clause.