

BILL ANALYSIS

Senate Research Center
78R10000 SMJ-F

H.B. 2916
By: Ritter (Barrientos)
Jurisprudence
5/8/2003
Engrossed

DIGEST AND PURPOSE

The 77th Texas Legislature enacted legislation to allow state employees and certain elected officials who have at least 10 years of credited service to purchase, at the actuarial present value of the additional benefits, up to 60 months of additional credit in the retirement system for the primary purpose of being able to retire earlier. H.B. 2916 would extend the same right to purchase up to 60 months of credit, under the same terms, in the actuarially funded Judicial Retirement System Plan Two (for persons who became judges at the district or appellate level on or after September 1, 1985).

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Board of Trustees of the Employees Retirement System of Texas in SECTION 1 (Section 838.108, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 838, Government Code, by adding Section 838.108, as follows:

Sec. 838.108. CREDIT PURCHASE OPTION. (a) Authorizes an eligible member to establish not more than 60 months of equivalent membership service credit.

(b) Provides that a member is eligible to establish service credit under this section if the member has at least 120 months of actual membership service of the type of service that the member seeks to establish.

(c) Authorizes a member to establish service credit under this section by depositing with the retirement system, for each month of service credit, the actuarial present value, at the time of deposit, of the additional standard retirement annuity benefits that would be attributable to the purchase of the service credit under this section, based on rates and tables recommended by the retirement system's actuary and adopted by the board of trustees.

(d) Requires the retirement system, after a member makes the deposits required by this section, to grant the member one month of equivalent membership service credit for each month of credit approved.

(e) Requires the retirement system to deposit the amount of the actuarial present value of the service credit purchased in the member's individual account in the retirement system.

(f) Authorizes the board of trustees to adopt rules to administer this section, including rules that impose restrictions on the application of this section as necessary to cost-effectively administer this section.

SECTION 2. Effective date: September 1, 2003.