

## BILL ANALYSIS

Senate Research Center  
78R1252 SMJ-D

S.B. 897  
By: Averitt  
State Affairs  
4/6/2003  
As Filed

### DIGEST AND PURPOSE

Many state employees continue to work for the state after they are eligible for retirement. As proposed, S.B. 897 provides for a one-time lump sum payment to individuals who retire between August 31, 2003, and August 31, 2005, in the first month they are eligible for retirement.

### RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of trustees of the Employees Retirement System of Texas and the comptroller in SECTION 1 (Section 814.1051, Government Code) of this bill.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 814, Government Code, by adding Section 814.1051, as follows:

Sec. 814.1051. LUMP-SUM PAYMENT IN ADDITION TO ANNUITY FOR CERTAIN RETIREES. (a) Provides that a member of the Employees Retirement system of Texas (ERS) who is eligible to retire and receive a service retirement annuity on or after August 31, 2003, and before September 1, 2005, is also eligible to receive a one-time lump-sum payment as provided by this section.

(b) Requires a member who is eligible to retire on August 31, 2003, to retire on that date in order to receive a lump-sum payment under this section. Requires a member who becomes eligible to retire after August 31, 2003, and before September 1, 2005, to retire in the month in which the member first becomes eligible.

(c) Provides that the lump-sum payment under this section is an amount equal to 25 percent of the member's total regular salary for the 12-month period preceding the month in which the member retires. Requires the lump sum to be paid as a single payment at the time the first monthly annuity payment is paid to the retiree, unless the comptroller by rule specifies another date for payment.

(d) Requires the ERS to report to the comptroller at least once each month the number of retiring members who are eligible to receive a lump-sum payment under this section.

(e) Provides that this section does not apply to a member who retires under Subchapter C for a disability.

(f) Authorizes the ERS board of trustees and the comptroller to adopt rules to implement this section.

(g) Provides that this section expires January 1, 2006.

SECTION 2. Effective date: upon passage or September 1, 2003.