

BILL ANALYSIS

Senate Research Center

H.B. 2882
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State Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current judicial retirement plans, the service retirement annuity of a member who elects to make contributions after 20 years of service or after reaching the Rule of 70 with 12 years on an appellate court is based on 60 percent of the state salary received by the member, plus two percent for each subsequent year of service. This amount is capped at a maximum of 80 percent of the state salary. Increasing this annuity would provide an additional incentive to keep experienced judges working for this state for longer periods of time, where the average amount of time a judge serves on the bench is eight years.

H.B. 2882 increases the accrual rate for extra years of service from two percent to 2.3 percent and authorizes members to earn a maximum annuity of 90 percent, rather than 80 percent, of the state salary.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 834.102(c), Government Code, to provide that the service retirement annuity (annuity) of a member qualifying for retirement under Section 834.101(a) (providing the eligibility requirements for an annuity) is the applicable state salary under Subsection (a) multiplied by a percentage amount that is the sum of 50 percent plus the product of 2.3 percent, rather than two percent, multiplied by the number of years of subsequent service credit the member accrues under Section 835.1015(a). Prohibits an annuity from exceeding an amount greater than 90 percent, rather than 80 percent, of the applicable salary under Subsection (a).

SECTION 2. Amends Sections 839.102(d) and (f), Government Code, to make conforming changes.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2007.