

BILL ANALYSIS

Senate Research Center
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S.B. 236
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law provides that a person who becomes employed with the municipality in which the person last worked and who receives Texas Municipal Retirement System (TMRS) benefits must have any annuity account payments suspended for the duration of employment with that municipality and that interest payments on that person's previously-established account must be discontinued. The law also prohibits the employee from further contributing to that account and requires the employee to begin a new account. This affects the amount of each pension check the employee will receive after retiring for a second time.

As proposed, S.B. 236 permits a retiree enrolled in TMRS who becomes employed with the municipality in which the retiree last worked to work in that municipality without suspension of the person's monthly TMRS annuity payments, and repeals the sections of the Government Code that dictate the suspension of payment of such benefits under such conditions.

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 Subchapter B, Chapter 852, Government Code, by adding Section 852.1081, as follows:

Sec. 852.1081. RESUMPTION OF SERVICE BY RETIREE. (a) Provides that a person who has retired from a participating municipality (municipality) with a service retirement annuity (annuity) based on termination of employment resumes membership in the retirement system, without suspension of the annuity, if the person becomes an employee of the municipality in which the person was last employed no sooner than one month after the effective date of retirement or becomes an employee of any other municipality anytime after retirement.

(b) Provides that a person who resumes employment in a municipality within a month of having terminated employment in the same municipality is not considered to have retired with respect to that municipality. Requires the person's annuity to be discontinued, membership to be restored, and any payments received to be returned. Requires appropriate adjustment for any unreturned amounts.

(c) Provides that a membership established under Subsection (a) is considered to be a new membership for beneficiary determinations and benefit selection purposes.

(d) Provides that a member who has retired with an annuity and met the requirements of Subsection (a) may be eligible to apply for and receive an additional annuity or a refund of the accumulated contributions for municipality service, regardless of any age or credited service requirement.

(e) Requires payment to a member under Subsection (d) to be made in the manner prescribed by Section 854.105 (to a predetermined beneficiary) if the member dies before the payment is made.

SECTION 2. Repealer: Section 852.108 (Resumption of Service with Same Employer by Retiree) and Section 852.109 (Resumption of Service with Different Employer by Retiree), Government Code.

SECTION 3. (a) Entitles a person whose annuity was suspended under former Section 852.108, Government Code, repealed by this Act, to resumption of monthly annuity payments if the person meets the requirements of Section 852.1081(a)(1), Government Code, as added by this Act.

(b) Requires that the Texas Municipal Retirement System resume making monthly annuity payments to a person described in the previous subsection on the first payment date on or after this Act's effective date.

(c) Provides that a person described in this section is not entitled to recover payments not made during the period of suspension under former Section 852.108, Government Code, repealed by this Act.

SECTION 4. Effective date: upon passage or September 1, 2007.