

1-1 By: Davis (Senate Sponsor - Johnson) H.B. No. 3375
 1-2 (In the Senate - Received from the House May 17, 2021;
 1-3 May 17, 2021, read first time and referred to Committee on Finance;
 1-4 May 21, 2021, reported favorably by the following vote: Yeas 10,
 1-5 Nays 0; May 21, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11			X	
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16			X	
1-17	X			
1-18	X			
1-19			X	
1-20	X			
1-21			X	
1-22			X	

1-23 A BILL TO BE ENTITLED
 1-24 AN ACT

1-25 relating to certain benefits payable by the public retirement
 1-26 systems for police and fire fighters in certain municipalities.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-28 SECTION 1. Sections 6.14(e-3) and (e-4), Article 6243a-1,
 1-29 Revised Statutes, are amended to read as follows:

1-30 (e-3) The board may by rule allow any person receiving an
 1-31 annuity from the annuitization of a DROP account under this section
 1-32 ~~[a DROP participant who has terminated active service and who is~~
 1-33 ~~eligible for a retirement pension]~~ to:

1-34 (1) assign the distribution from the person's
 1-35 ~~[participant's]~~ annuitized DROP account to a third party provided
 1-36 the pension system receives a favorable private letter ruling from
 1-37 the Internal Revenue Service ruling that such an assignment will
 1-38 not negatively impact the pension system's qualified plan status;
 1-39 and

1-40 (2) subject to Subsection (e-4) of this section, in
 1-41 the event of a financial hardship that was not reasonably
 1-42 foreseeable obtain a lump-sum distribution from the person's
 1-43 ~~[participant's]~~ DROP account resulting in a corresponding
 1-44 reduction in the total number or in the amount of annuity payments.

1-45 (e-4) The board shall adopt rules necessary to implement
 1-46 Subsection (e-3)(2) of this section, including rules regarding what
 1-47 constitutes a financial hardship for purposes of that subdivision.
 1-48 In adopting the rules, the board shall provide flexibility to
 1-49 persons receiving an annuity from the annuitization of a DROP
 1-50 account [members].

1-51 SECTION 2. This Act takes effect September 1, 2021.

1-52 * * * * *