

Amend CSHB 5 by adding the following appropriately numbered SECTIONS and renumbering subsequent SECTIONS accordingly:

SECTION \_\_\_\_\_. Section 11.15(b), Article IX, House Bill No. 1, Acts of the 78th Legislature, Regular Session, 2003, is amended to read as follows:

(b) An amount equal to the sum of the General Revenue Fund and general revenue dedicated account appropriations contained in this Act that are vetoed by the Governor under Section 14, Article IV, Texas Constitution, shall be segregated by the Comptroller and is hereby appropriated, as necessary, for the transfers in subsection (c). To the extent that amounts appropriated by this subsection are not necessary for the transfers in subsection (c), the amounts are available for emergency transfers by the Governor and the Legislative Budget Board acting under Section 69, Article XVI, Texas Constitution, and under Chapter 317, Government Code.

SECTION \_\_\_\_\_. Section 11.28(a), Article IX, House Bill No. 1, Acts of the 78th Legislature, Regular Session, 2003 (the General Appropriations Act), is amended to read as follows:

(a) Notwithstanding other provisions of this Act, based upon the passage of federal legislation that provides federal funds for the purpose of state fiscal relief, such funds are appropriated~~[, after the implementation of Section 11.15, Contingency Appropriation Reduction and Contingency Appropriation,~~ to the Comptroller of Public Accounts in the fiscal year in which the funds are received for the purpose of transferring funds to state agencies for state fiscal relief, as directed by the Governor and Legislative Budget Board acting under Chapter 317, Government Code, and in accordance with ~~[provided by]~~ subsection (b) of this section.

SECTION \_\_\_\_\_. Subchapter A, Chapter 22, Education Code, is amended by adding Section 22.007 to read as follows:

Sec. 22.007. RETIREMENT SAVINGS PLAN FOR CERTAIN EMPLOYEES.

(a) In this section:

(1) "Employer" has the meaning assigned by Section 821.001, Government Code.

(2) "Social security coverage" means old-age, survivors, and disability insurance benefits under Title II, Social

Security Act (42 U.S.C. Section 401 et seq.), as amended.

(3) "Wages" has the meaning assigned by Section 209, Social Security Act (42 U.S.C. Section 409), as amended.

(b) An employer shall enter into a salary reduction agreement as provided by this section with each employee who:

(1) is employed by the employer in a position for which social security coverage is not provided; and

(2) is subject to the waiting period required by Section 822.001, Government Code, that precedes membership in the Teacher Retirement System of Texas.

(c) A salary reduction agreement under Subsection (b) must provide for the employer to reduce the employee's salary for the purpose of:

(1) making direct contributions to a deferred compensation plan under Chapter 609, Government Code;

(2) purchasing a qualified investment product as provided by Chapter 22, Acts of the 57th Legislature, 3rd Called Session, 1962 (Article 6228a-5, Vernon's Texas Civil Statutes); or

(3) making direct contributions to a retirement system maintained by the employer that meets the requirements of Section 3121(b)(7)(F), Internal Revenue Code of 1986, as amended.

(d) The total amount contributed under Subsection (c) may not be less than 7.5 percent of the employee's wages for the waiting period required by Section 822.001, Government Code, that precedes membership in the Teacher Retirement System of Texas. An employer may elect to contribute any portion of the percentage amount required by this subsection.

(e) A salary reduction agreement under Subsection (b) must provide for the agreement to be terminated on the day before the first day of the first payroll period for which the employer makes a deduction for deposit with the Teacher Retirement System of Texas under Section 825.403, Government Code, unless the employee agrees in writing to continue the agreement under the same terms or under modified terms.

(f) An employer that does not enter into a salary reduction agreement with an employee as provided by this section must provide social security coverage for the employee.

(g) This section does not prohibit an employee from entering into any other salary reduction agreement.

(h) This section expires September 1, 2005.