

BILL ANALYSIS

H.B. 2359
By: Ritter
Pensions & Investments
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Employees Retirement System of Texas (ERS) administers a retirement system providing service, disability, and death benefits for state employees and public officers; two retirement systems providing service, disability, and death benefits for district and appellate judges; an insurance program-- providing primarily health insurance, but with ancillary benefits-- for state officers and employees, including employees of most institutions of higher education; a program providing death benefits for the survivors of public service personnel; and programs providing deferred compensation benefits under federal programs authorizing deferred tax treatment of amounts invested in the programs. The purposes of HB 2359 are to clarify existing law as amended by the 77th Legislature, to make minor changes in the laws administered by ERS to make the benefits provided by ERS more uniform and consistent among programs and systems, and to make housekeeping changes that make the programs and systems less administratively burdensome.

RULEMAKING AUTHORITY

It is the opinion of the committee that this bill does not expressly grant any additional rulemaking authority to any state officer, department, agency or institution.

ANALYSIS

SECTION 1: Amends Section 615.023, Government Code, to codify the intent expressed in two bills passed by the 77th Legislature, Regular Session, 2001.

SECTION 2: Amends Section 812.003(a), Government Code, to delete the disqualification from ERS membership of temporary employees who are at least 65 years old when employed.

SECTION 3: Amends Section 812.203, Government Code, to clarify without substantive change the effect of a suspension of annuity payments for certain retirees who resume public service.

SECTION 4: Amends the heading to Section 813.104, Government Code, to read: ALTERNATIVE PAYMENTS AND METHODS TO ESTABLISH OR REESTABLISH SERVICE CREDIT.

SECTION 5: Amends Section 813.104, Government Code, to allow ERS to provide for agreements to purchase or reestablish service credit to be filed electronically.

SECTION 6: Amends Subchapter A, Chapter 814, Government Code, by adding Section 814.010 to allow ERS to accept beneficiary designations electronically.

SECTION 7: Amends Section 814.104(b), Government Code, to delete from an early retirement eligibility provision certain employees of the Railroad Commission of Texas.

SECTION 8: Amends Section 814.108(f), Government Code, to make a non-substantive change that is consistent with current legislative drafting standards.

SECTION 9: Amends Section 814.203, Government Code, to delete the obsolete requirement that the ERS medicalboard, after finding a member disabled, further determine that the member "should be retired."

SECTION 10: Amends Section 814.603, Government Code, to clarify the authority of the ERS board to make one-time supplemental payments ("13th checks") in a manner consistent with the economic circumstances of the times.

SECTION 11: Amends Section 815.008(c), Government Code, to make a non-substantive change that is consistent with current legislative drafting standards.

SECTION 12: Amends Section 815.201, Government Code, to make a non-substantive change that is consistent with current legislative drafting standards.

SECTION 13: Amends Section 815.202(c), Government Code, to correct a technical error in existing law between the meanings of "citizenship" and "residency."

SECTION 14: Amends Section 815.207(b), Government Code, to make a non-substantive change that is consistent with current legislative drafting standards.

SECTION 15: Amends Section 838.103(b), Government Code, to allow non-contributing members of the Judicial Retirement System of Texas Plan Two to purchase military service credit in the same manner as contributing members.

SECTION 16: Amends Section 838.106(a), Government Code, to allow non-contributing members of the Judicial Retirement System of Texas Plan Two to purchase credit for a calendar year in which they served a part in the same manner as contributing members.

SECTION 17: Amends Section 1551.102(d), Insurance Code, to require that participation in the uniform group insurance program by a disability retiree be limited to those persons who have retired for disability, rather than persons who are independently designated by ERS as disabled.

SECTION 18: Provides that the change in law made in Section 17 does not apply to a person already participating in the uniform group insurance program.

SECTION 19: Repeals the following Government Code provisions:

- (1) Section 805.002(e), prohibiting reestablishment under the ERS-Teacher Retirement System of Texas transfer law of credit canceled by a membership termination after August 31, 1993;
- (2) Section 812.004, which prohibits ERS membership for temporary employees over 65 years of age;
- (3) Section 813.504(b), which allows non-ERS members to reestablish service credit under certain circumstances;
- (4) Section 814.1041, which is obsolete and cannot by law be used any more; and
- (5) Section 815.502, which provides a cumbersome procedure for trying to notify persons of unclaimed benefits, to which they remain entitled without the procedure.

Repeals Section 3(b), Chapter 22, (Article 6228a-5, VTCS), which requires ERS to review and comment on certain state-agency sponsored deferred compensation programs.

SECTION 20: Effective date.

EFFECTIVE DATE

Provides an effective date for the bill of September 1, 2003.