

BILL ANALYSIS

C.S.H.B. 2916
By: Ritter
Pensions & Investments
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Chapter 1231, Acts of the 77th Legislature, Regular Session, 2001 (SB 292), added Section 813.513 to the law governing the retirement system for state employees and certain publicly elected officials (ERS). That provision allowed ERS members who have at least 10 years of credited service to purchase, at the actuarial present value of the additional benefits, up to 60 months of additional credit in the retirement system for the primary purpose of being able to retire earlier. The provision has no cost to the retirement system unless the member or the member's beneficiaries exceed the actuarial assumptions used to determine the cost of the additional credit. CSHB 2916 would extend the same right to purchase up to 60 months of credit, under the same terms, in the actuarially funded Judicial Retirement System Plan Two (for persons who became judges at the district or appellate level on or after September 1, 1985).

RULEMAKING AUTHORITY

Rulemaking authority is granted to the Employees Retirement System of Texas in SECTION 1, Subchapter B, Chapter 838, Government Code, Section 838.108(f)

ANALYSIS

SECTION 1: Amends Subchapter E, Chapter 838, Government Code, by adding Section 838.108 to allow members of the Judicial Retirement System Plan Two who have at least 10 years of credited service to purchase, at the actuarial present value of the additional benefits, up to 60 months of additional credit in the retirement system.

SECTION 2 . Effective date.

EFFECTIVE DATE

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

COMPARISON OF ORIGINAL TO SUBSTITUTE

There are no substantive changes between the original bill and the substitute bill. The original was not a Texas Legislative Council draft and the substitute bill is a Texas Legislative Council draft.