

BILL ANALYSIS

S.B. 1117
By: Williams
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law allows the Teacher Retirement System (TRS), in offering health insurance programs for local school districts, to also offer benefits plans. S.B. 1117 prohibits TRS from offering optional benefits plans, and clarifies that local school districts are not prohibited from offering optional benefits plans to their employees.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the board of trustees of the Teacher Retirement System of Texas in SECTION 3 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 4(e), Article 3.50-7, Insurance Code, to prohibit the Teacher Retirement System (TRS) from offering, rather than authorizing it to offer, optional coverages to employees participating in the program, other than those required by Chapter 1577 of this code. Provides that this subsection does not affect the right of a participating entity to offer optional coverages to its employees under terms and conditions established by the participating entity. Deletes the authorization for TRS to define by rule the types of optional coverages offered under this subsection.

SECTION 2. Provides that, to the extent of any conflict, this Act prevails over another Act of the 78th Legislature, Regular Session, 2003, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 3. Requires the board of trustees of TRS to adopt any rules required by the change in law made by this Act not later than December 1, 2003.

SECTION 4. Makes application of this Act prospective to January 1, 2004.

SECTION 5. Effective Date: September 1, 2003.

EFFECTIVE DATE

This Act takes effect September 1, 2003.