

By: Dutton

H.B. No. 377

A BILL TO BE ENTITLED

AN ACT

relating to service retirement and death benefits for certain peace officers under the Teacher Retirement System of Texas.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 821.001, Government Code, is amended by adding Subdivision (20) to read as follows:

(20) "Peace officer" means a member of the retirement system who has been commissioned as a peace officer under Section 51.203, Education Code, by a state institution of higher education or public technical institute.

SECTION 2. Subchapter C, Chapter 824, Government Code, is amended by adding Section 824.2032 to read as follows:

Sec. 824.2032. SUPPLEMENTED SERVICE RETIREMENT ANNUITY FOR CERTAIN PEACE OFFICERS. (a) In this section:

(1) "Average monthly compensation" means the member's average monthly compensation for the 36 months of service, whether or not consecutive, for which the member received the highest monthly compensation as a peace officer.

(2) "Multiplier" means the percentage used to compute the standard service retirement annuity under Section 824.203. The term does not include years of service credit.

(b) An employer may elect to fund the .5 percent that is the employer's portion of the standard supplemented service retirement annuity described by Subsection (d) for peace officers it employs.

1 (c) An employer that elects to fund the standard
2 supplemented service retirement annuity for qualifying peace
3 officers under this section is not required to provide money to fund
4 the annuity until a peace officer files an application for the
5 annuity and the application is approved by the retirement system.

6 (d) The standard supplemented service retirement annuity is
7 the amount computed by multiplying:

8 (1) the member's number of years of service credit for
9 service as a peace officer in the retirement system; times

10 (2) the member's average monthly compensation; times

11 (3) the sum of the multiplier plus .5 percent.

12 (e) Subsections (f), (g), and (h) apply only to a member:

13 (1) whose employer elects to fund the standard
14 supplemented retirement annuity;

15 (2) who has at least 25 years of service credit as a
16 peace officer in the retirement system; and

17 (3) who is a paid, full-time peace officer.

18 (f) A member is eligible to retire and receive the standard
19 supplemented retirement annuity under Subsection (d) if the sum of
20 the member's age plus the member's amount of service credit,
21 including months of age and credit, equals or exceeds the number 80.

22 (g) If a member is at least 50 years old, the member is
23 eligible to retire and receive a service retirement annuity reduced
24 from the standard supplemented service retirement annuity under
25 Subsection (d) to a percentage of the standard supplemented annuity
26 derived from the following table:

<u>Years of Service</u>	<u>Age at Date of Retirement</u>					
	<u>50</u>	<u>51</u>	<u>52</u>	<u>53</u>	<u>54</u>	<u>55</u>
<u>at least 25 but less than 26</u>	<u>90%</u>	<u>92%</u>	<u>94%</u>	<u>96%</u>	<u>98%</u>	<u>100%</u>
<u>at least 26 but less than 27</u>	<u>92%</u>	<u>94%</u>	<u>96%</u>	<u>98%</u>	<u>100%</u>	<u>100%</u>
<u>at lease 27 but less than 28</u>	<u>94%</u>	<u>96%</u>	<u>98%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
<u>at least 28 but less than 29</u>	<u>96%</u>	<u>98%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
<u>at least 29 but less than 30</u>	<u>98%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

(h) The supplemented service retirement annuity that is payable under this section is based on retirement at the age of 50 or older. A peace officer who retires before attaining the age of 50 is entitled to an annuity that is actuarially reduced from the annuity available at the age of 50 to the earlier retirement age.

(i) The supplemented service retirement annuity payable for at least 25 years of service credit as a peace officer may not exceed 100 percent of the higher of the average compensation computed under Section 824.203 or the average compensation computed under Subsection (d).

(j) For purposes of this section, service as a peace officer is creditable as provided by rule of the board of trustees or on a month-to-month basis, whichever is greater.

(k) A member retiring under this section is not eligible for a partial lump sum option under Section 824.2045.

(l) An employer that elects to fund the standard supplemented retirement annuity for an eligible member who retires under this section shall provide as the employer's portion of that annuity .5 percent of the monthly amount due the employee under Subsection (f), (g), or (h). The retirement system shall provide

1 the remainder of the monthly amount due.

2 SECTION 3. Section 824.204(a), Government Code, is amended
3 to read as follows:

4 (a) Instead of the standard service retirement annuity
5 payable under Section 824.203, the standard supplemented service
6 retirement annuity for certain peace officers payable under Section
7 824.2032, or an annuity reduced because of age under Section
8 824.202, a retiring member may elect to receive an optional service
9 retirement annuity, reduced for early retirement if applicable,
10 under this section. An election to receive an optional service
11 retirement annuity must be filed with the board of trustees not
12 later than the effective date of retirement.

13 SECTION 4. Section 824.402(a), Government Code, is amended
14 to read as follows:

15 (a) Except as provided by Section 824.401 or Section
16 824.4061, the designated beneficiary of a member who dies during a
17 school year in which the member has performed service is eligible to
18 receive at the beneficiary's election the greatest of the following
19 amounts:

20 (1) an amount equal to twice the member's annual
21 compensation for the school year immediately preceding the school
22 year in which the member dies, or \$80,000, whichever is less;

23 (2) an amount equal to twice the member's rate of
24 annual compensation for the school year in which the member dies, or
25 \$80,000, whichever is less;

26 (3) 60 monthly payments of a standard service
27 retirement annuity, computed as provided by Section 824.203;

1 (4) an optional retirement annuity for the designated
2 beneficiary's life in an amount computed as provided by Section
3 824.204(c)(1) as if the member had retired on the last day of the
4 month immediately preceding the month in which the member dies; or

5 (5) an amount equal to the amount of accumulated
6 contributions in the member's individual account in the member
7 savings account.

8 SECTION 5. Subchapter E, Chapter 824, Government Code, is
9 amended by adding Section 824.4061 to read as follows:

10 Sec. 824.4061. ANNUITY FOR SURVIVOR OF PEACE OFFICER. If a
11 member who has at least 25 years of service credit as a peace
12 officer dies, the amount of the death benefit annuity payable for
13 the member's service as a peace officer is an amount computed and
14 funded as provided by Section 824.2032, including any applicable
15 reduction factors.

16 SECTION 6. (a) This Act takes effect September 1, 2003.

17 (b) This Act applies only to a peace officer who retires on
18 or after the effective date of this Act.