

By: Thompson

H.B. No. 1664

A BILL TO BE ENTITLED

AN ACT

1
2 relating to credit in the Teacher Retirement System of Texas for
3 service performed as a United States Peace Corps volunteer.

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

5 SECTION 1. Subchapter E, Chapter 823, Government Code, is
6 amended by adding Section 823.406 to read as follows:

7 Sec. 823.406. PEACE CORPS SERVICE. (a) An eligible member
8 may establish equivalent membership service credit for service
9 performed as a United States Peace Corps volunteer.

10 (b) A member eligible to establish service credit under this
11 section is one who is an employee, has at least five years of
12 service credit in the retirement system for service in public
13 schools, and performed at least two years of service as a United
14 States Peace Corps volunteer.

15 (c) A member may establish credit under this section by
16 filing an application with the retirement system, submitting proof
17 of eligibility satisfactory to the system, and depositing with the
18 system for each year of service claimed an amount equal to:

19 (1) the member's contributions to the retirement
20 system during the most recent full year of membership service that
21 preceded the peace corps service, if the peace corps service was
22 performed while the person was a member of the retirement system; or

23 (2) the member's contributions to the retirement
24 system during the first full year of membership service, if the

1 peace corps service was performed before the person became a member
2 of the retirement system.

3 (d) In addition to the contribution required by Subsection
4 (c), a member claiming credit for service under this section must
5 pay a fee of eight percent, compounded annually, of the required
6 contribution from the date of first eligibility to the date of
7 deposit.

8 (e) After a member makes the deposits required by this
9 section, the retirement system shall grant the member one year of
10 credit for each year of peace corps service approved, except that a
11 member may not establish more than five years of service credit
12 under this section.

13 SECTION 2. Section 825.307(a), Government Code, is amended
14 to read as follows:

15 (a) The retirement system shall deposit in a member's
16 individual account in the member savings account:

17 (1) the amount of contributions to the retirement
18 system that is deducted from the member's compensation;

19 (2) the portion of a deposit made on or after
20 resumption of membership that represents the amount of retirement
21 benefits received;

22 (3) the portion of a deposit to reinstate service
23 credit previously canceled that represents the amount withdrawn or
24 refunded;

25 (4) the portion of a deposit to establish military
26 service credit required by Section 823.302(c);

27 (5) the portion of a deposit to establish equivalent

1 membership service credit required by Subchapter E, Chapter 823
2 [~~Section 823.401(d), 823.402(e)(1) or (e)(2), 823.404(c), 823.405,~~
3 ~~or 823.3021(f)(1)~~]; and

4 (6) interest earned on money in the account as
5 provided by Subsections (b) and (c) and Section 825.313(c).

6 SECTION 3. Section 825.308, Government Code, is amended to
7 read as follows:

8 Sec. 825.308. STATE CONTRIBUTION ACCOUNT. The retirement
9 system shall deposit in the state contribution account:

10 (1) all state contributions to the retirement system
11 required by Section 825.404;

12 (2) amounts from the interest account as provided by
13 Section 825.313(b)(2);

14 (3) retirement annuities waived or forfeited in
15 accordance with Section 824.601 or 824.004;

16 (4) fees collected under Section 825.403(h);

17 (5) fees and interest for reinstatement of service
18 credit or establishment of membership service credit as provided by
19 Section 823.501;

20 (6) the portion of a deposit required by Section
21 823.302 to establish military service credit that represents a fee;
22 and

23 (7) the portion of a deposit that represents a fee
24 required by Section 823.401(e) or 823.406(d) to establish
25 equivalent membership [~~out-of-state~~] service credit [~~that~~
26 ~~represents a fee~~].

27 SECTION 4. This Act takes effect September 1, 2003.