

By: Telford, Ritter, Menendez, Flores,
et al.

H.B. No. 2169

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the payment of retirement benefits to retirees who are
3 employed by certain public educational institutions.

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

5 SECTION 1. Section 824.601, Government Code, is amended to
6 read as follows:

7 Sec. 824.601. LOSS OF MONTHLY BENEFITS. (a) In this
8 section, "third-party entity" means an entity retained by a Texas
9 public educational institution to provide personnel to the
10 institution that perform duties or provide services that employees
11 of the institution would otherwise perform or provide.

12 (b) Except as provided by Section 824.602, a retiree is not
13 entitled to service or disability retirement benefit payments, as
14 applicable, for any month in which the retiree is employed in any
15 position by a Texas public educational institution.

16 (c) A Texas public educational institution, for the purposes
17 of this subchapter, is any entity included in the definition of
18 "employer" or "public school" in Section 821.001 or any entity in
19 whose employment the retiree has earned credit as a member of the
20 retirement system.

21 (d) A retiree who is an employee of a third-party entity is
22 considered to be employed by a Texas public educational institution
23 for purposes of this subchapter unless the retiree does not perform
24 duties or provide services on behalf of or for the benefit of the

1 institution.

2 (e) Loss of benefits under this section does not extend any
3 period of guaranteed benefits elected pursuant to Section 824.204.

4 (f) The system may adopt rules necessary for administering
5 this subchapter.

6 SECTION 2. The change in law made by Section 824.601,
7 Government Code, as amended by this Act, applies only to the payment
8 of retirement benefits to a retiree who is first employed by a
9 third-party entity on or after April 22, 2003. The payment of
10 retirement benefits to a retiree who was first employed by a
11 third-party entity before April 22, 2003, is governed by the law in
12 effect before the effective date of this Act, and the former law is
13 continued in effect for that purpose.

14 SECTION 3. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2003.