

By: Hochberg

H.B. No. 2445

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to contributions by a school district and certain charter  
3 schools to the Teacher Retirement System of Texas.

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

5 SECTION 1. Section 825.405, Government Code, is amended by  
6 amending Subsections (a), (c), (e), and (f) and adding Subsection  
7 (a-1) to read as follows:

8 (a) In this section, "employer" means a school district or  
9 an open-enrollment charter school that has been granted a charter  
10 under Subchapter D, Chapter 12, Education Code.

11 (a-1) During each school year, an employer [~~For members~~  
12 ~~entitled to the minimum salary for certain school personnel under~~  
13 ~~Section 21.402, Education Code, and for members who would have been~~  
14 ~~entitled to the minimum salary for certain school personnel under~~  
15 ~~former Section 16.056, Education Code, as that section existed on~~  
16 ~~January 1, 1995, the employing district] shall contribute to the  
17 retirement system an amount equal to 0.57 percent of the aggregate  
18 annual compensation of all members of the retirement system who are  
19 employed by the employer during that school year [~~pay the state's~~  
20 ~~contribution on the portion of the member's salary that exceeds the~~  
21 ~~statutory minimum or former statutory minimum, as applicable)].~~~~

22 (c) Monthly, employers shall:

23 (1) report to the retirement system in a form  
24 prescribed by the system a certification of the total amount of

1 salary paid to members who are employed by the employer [~~above the~~  
2 ~~statutory minimum salary~~] and the total amount of employer  
3 contributions due under this section for the payroll period; and

4 (2) retain information, as determined by the  
5 retirement system, sufficient to allow administration of this  
6 section, including salary information for each member [~~employee~~  
7 ~~showing the applicable minimum salary~~] as well as aggregate annual  
8 compensation.

9 (e) After the end of each school year, the retirement system  
10 shall certify to the commissioner of education:

11 (1) the names of any employers [~~employing districts~~]  
12 that have failed to remit, within the period required by Section  
13 825.408, all contributions required under this section for the  
14 school year; and

15 (2) the amounts of the unpaid contributions.

16 (f) If the commissioner of education receives a  
17 certification under Subsection (e), the commissioner shall direct  
18 the comptroller of public accounts to withhold the amount  
19 certified, plus interest computed at the rate and in the manner  
20 provided by Section 825.408, from the first state money payable to  
21 the employer [~~school district~~]. The amount withheld shall be  
22 deposited to the credit of the appropriate accounts of the  
23 retirement system.

24 SECTION 2. Section 12.106, Education Code, is amended by  
25 adding Subsection (d) to read as follows:

26 (d) Notwithstanding subsections (a) and (b), the agency  
27 shall withhold and remit to the Teacher Retirement System of Texas a

1 portion of any payment that the agency makes to a charter holder as  
2 follows:

3 (1) Remittances made by the agency to the retirement  
4 system under this subsection shall be applied by the retirement  
5 system toward the obligations of the charter holder to remit to the  
6 retirement system contributions required from active members of the  
7 retirement system for the pension trust under Government Code  
8 Section 825.403 and for the fund established under the Texas Public  
9 School Retired Employees Group Insurance Act under Insurance Code  
10 article 3.50-4 Section 16 and the portion of the state's  
11 contributions required to be paid by the charter holder.

12 (2) The agency shall calculate the amount to be  
13 remitted to the retirement system by estimating the number of  
14 employees of the respective charter holder and the salary of each  
15 employee, and by multiplying each salary by the percentages  
16 specified in the law as the current active member contribution  
17 rates and as the current rate or portion of the state's contribution  
18 to be paid by the charter holder. The charter holder shall provide  
19 any information requested by the agency for the purpose of  
20 calculating the estimated payment.

21 (3) The retirement system may provide relevant  
22 information to the agency. In making its estimate, the agency shall  
23 consider any information provided by the retirement system and  
24 shall adjust future calculations, as necessary, with regard to a  
25 charter holder.

26 (4) The retirement system and the charter holder may  
27 agree on a specified amount or methodology for calculating the

1 payment to be remitted by the agency. Provided the agency receives  
2 a timely notice signed by both the retirement system and the charter  
3 holder, the agency may rely on such notice and make the payment to  
4 the retirement system in accordance with such notice. The  
5 retirement system may unilaterally cancel the payment notice by  
6 giving the agency written notice. The agency shall remit funds in  
7 accordance with the notice until the retirement system cancels the  
8 payment notice. If the payment notice is cancelled, the agency  
9 shall resume calculating the payment as provided in subparagraph  
10 (2).

11 (5) Upon written notice from the retirement system  
12 agreeing to forego any payment from the agency with regard to a  
13 specific charter holder, the agency may rely on such notice to  
14 suspend payments to the retirement system with regard to that  
15 specific charter holder. The retirement system may unilaterally  
16 terminate any suspension notice by giving the agency written  
17 notice, in which event, the agency shall again commence making  
18 remittances to the retirement system calculated in accordance with  
19 subparagraph (2).

20 (6) The retirement system by rule shall establish  
21 procedures for making refunds to charter holders if the retirement  
22 system determines that amounts received from the agency exceed  
23 amounts owed by the charter holder.

24 SECTION 3. The heading to Section 825.405, Government Code,  
25 is amended to read as follows:

26 Sec. 825.405. CONTRIBUTIONS BY SCHOOL DISTRICTS AND CERTAIN  
27 CHARTER SCHOOLS [~~BASED ON COMPENSATION ABOVE STATUTORY MINIMUM~~].

1           SECTION 4. Section 825.405(b), Government Code, is  
2 repealed.

3           SECTION 5. This Act applies beginning with the 2003-2004  
4 school year.

5           SECTION 6. This Act takes effect immediately if it receives  
6 a vote of two-thirds of all the members elected to each house, as  
7 provided by Section 39, Article III, Texas Constitution. If this  
8 Act does not receive the vote necessary for immediate effect, this  
9 Act takes effect September 1, 2003.