

By: Armbrister

S.B. No. 1242

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the programs and systems administered by the Employees  
3 Retirement System of Texas.

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

5 SECTION 1. Section 615.023, Government Code, is reenacted  
6 to read as follows:

7 Sec. 615.023. PAYMENT TO SURVIVING MINOR CHILD. (a) The  
8 state shall pay to the duly appointed or qualified guardian or other  
9 legal representative of an eligible surviving minor child:

10 (1) \$200 each month, if there is one surviving child;

11 (2) \$300 each month, if there are two surviving  
12 children; or

13 (3) \$400 each month, if there are three or more  
14 surviving children.

15 (b) A child's entitlement to assistance payable under this  
16 section ends on the child's 18th birthday. At that time, payments  
17 to any other surviving minor children shall be adjusted, as  
18 necessary, to conform to the amounts payable under Subsection (a).

19 (c) A payment under this section is in addition to any  
20 payment made under Section 615.022.

21 SECTION 2. Section 812.003(a), Government Code, is amended  
22 to read as follows:

23 (a) Except as provided by Subsection (b), membership in the  
24 employee class of the retirement system includes all employees and

1 appointed officers of every department, commission, board, agency,  
2 or institution of the state except:

3 (1) independent contractors and their employees  
4 performing work for the state; and

5 (2) persons disqualified from membership under  
6 Section 812.201[~~, and~~

7 [~~(3) persons disqualified from membership under~~  
8 ~~Section 812.004]~~.

9 SECTION 3. Section 812.203, Government Code, is amended to  
10 read as follows:

11 Sec. 812.203. BENEFITS AFFECTED. (a) [~~(c) Time during~~  
12 ~~which retirement benefit payments are suspended as provided by this~~  
13 ~~section does not reduce the number of months payments are to be made~~  
14 ~~under an optional benefit plan providing for a specific amount of~~  
15 ~~benefits for a guaranteed number of months after retirement.~~

16 [~~(d)~~] If a retiree takes the oath for a position included in  
17 the elected class of membership, the retirement system shall  
18 suspend annuity payments to the person for service that was  
19 credited in that class, until the person no longer holds that  
20 position.

21 (b) Time during which annuity payments are suspended as  
22 provided by this section does not reduce the number of months  
23 payments are to be made under an optional benefit selection  
24 providing for a specific amount of benefits for a guaranteed number  
25 of months after retirement.

26 (c) [~~(e)~~] If a member who originally retired with service  
27 credited at the time of that retirement only in the elected class of

1 membership again retires, the person at the time of subsequent  
2 retirement may select an annuity based on service in the elected  
3 class as if the person were retiring for the first time. If the  
4 person selects an annuity under Section 814.108(c)(3) or (c)(4),  
5 the retirement system shall reduce the number of months of  
6 guaranteed payment by the number of months for which an annuity was  
7 paid under the person's original retirement.

8 SECTION 4. The heading to Section 813.104, Government Code,  
9 is amended to read as follows:

10 Sec. 813.104. ALTERNATIVE PAYMENTS AND METHODS TO ESTABLISH  
11 OR REESTABLISH SERVICE CREDIT.

12 SECTION 5. Section 813.104, Government Code, is amended by  
13 adding Subsection (e) to read as follows:

14 (e) The retirement system may provide for the electronic  
15 filing of agreements to establish or reestablish service credit.  
16 In this subsection, "electronic filing" has the meaning assigned by  
17 Section 814.010(a).

18 SECTION 6. Subchapter A, Chapter 814, Government Code, is  
19 amended by adding Section 814.010 to read as follows:

20 Sec. 814.010. ELECTRONIC FILING OF BENEFICIARY  
21 DESIGNATION. (a) In this section, "electronic filing" means the  
22 filing of data in the form of digital electronic signals  
23 transformed by computer and stored on magnetic tape, optical disks,  
24 or any other medium.

25 (b) A person entitled to designate a beneficiary under any  
26 system or program administered by the retirement system may make  
27 the designation by electronic filing under procedures adopted by

1 the retirement system.

2 SECTION 7. Section 814.104(b), Government Code, is amended  
3 to read as follows:

4 (b) A member who is at least 55 years old and who has at  
5 least 10 years of service credit as a commissioned peace officer  
6 engaged in criminal law enforcement activities of the Department of  
7 Public Safety, the Texas Alcoholic Beverage Commission, the State  
8 Board of Pharmacy, or the Parks and Wildlife Department, [~~as an~~  
9 ~~employee of the Railroad Commission of Texas who is licensed by the~~  
10 ~~Commission on Law Enforcement Officer Standards and Education and~~  
11 ~~has served at least five years as an investigator for the oil field~~  
12 ~~theft detection division,~~] or as a custodial officer, is eligible  
13 to retire and receive a service retirement annuity.

14 SECTION 8. Section 814.108(f), Government Code, is amended  
15 to read as follows:

16 (f) The computation of an optional annuity must be made  
17 without regard to the gender [~~sex~~] of the annuitant or designee  
18 involved.

19 SECTION 9. Section 814.203, Government Code, is amended to  
20 read as follows:

21 Sec. 814.203. CERTIFICATION OF DISABILITY. As soon as  
22 practicable after an application for disability retirement is  
23 filed, the medical board shall evaluate the medical and other  
24 pertinent information regarding the member's application. If the  
25 medical board finds that the member is mentally or physically  
26 incapacitated for the further performance of duty and [~~7~~] that the  
27 incapacity is likely to be permanent, [~~and that the member should be~~

1 ~~retired,~~] the medical board shall issue a certification of  
2 disability and submit it to the executive director.

3 SECTION 10. Section 814.603, Government Code, is amended to  
4 read as follows:

5 Sec. 814.603. SUPPLEMENTAL PAYMENTS [~~ONE-TIME PAYMENT~~].

6 (a) The retirement system may [~~shall~~] make a supplemental payment  
7 as provided by this section [~~Subsection (d)~~] to persons whose  
8 annuities are described by Section 814.107, 814.207, 814.305, or  
9 814.601(a) and that are based on service retirements, disability  
10 retirements, or deaths. A [~~This~~] supplemental payment made under  
11 this section is in addition to the regular monthly annuity payment.  
12 [~~Each person who receives an annuity described by this subsection~~  
13 ~~is entitled to receive one payment equal to 10 percent of one~~  
14 ~~month's annuity payment for each fiscal year that preceded or~~  
15 ~~includes the effective date of the requirement or authorization~~  
16 ~~under Subsection (d) and in which the annuity has been paid. A~~  
17 ~~supplemental payment may not exceed 350 percent of a monthly~~  
18 ~~annuity.~~] Supplemental payments under this section [~~subsection~~]  
19 must comply with Section 811.006.

20 (b) The board of trustees shall determine the amount and  
21 timing of a supplemental payment made under this section and the  
22 manner in which the payment is made.

23 (c) The retirement system shall pay any [~~the~~] supplemental  
24 payment made under this section [~~provided by Subsection (a)~~] from  
25 the retirement annuity reserve account and may transfer to that  
26 account from the state accumulation account any portion of the  
27 amount that exceeds the amount in the retirement annuity reserve

1 account available to finance this supplemental payment and that is  
2 actuarially determined to be necessary to finance the supplemental  
3 payment.

4 ~~[(c) The board of trustees may adopt rules to implement the~~  
5 ~~payment, including rules that govern the timing of the supplemental~~  
6 ~~payment described by Subsection (a).]~~

7 ~~[(d) The retirement system shall make a supplemental~~  
8 ~~payment under this section in the fiscal year ending August 31,~~  
9 ~~1997. The board of trustees may by rule authorize similar~~  
10 ~~supplemental payments in succeeding fiscal years, if the payments~~  
11 ~~are in compliance with Section 811.006.]~~

12 SECTION 11. Section 815.008(c), Government Code, is amended  
13 to read as follows:

14 (c) If the executive director has knowledge that a potential  
15 ground for removal exists, the executive director shall notify the  
16 presiding officer ~~[chairman]~~ of the board of the ground. The  
17 presiding officer ~~[chairman]~~ shall then notify the appropriate  
18 appointing officer, if any, that a potential ground for removal  
19 exists.

20 SECTION 12. Section 815.201, Government Code, is amended to  
21 read as follows:

22 Sec. 815.201. PRESIDING OFFICER ~~[CHAIRMAN]~~. The board of  
23 trustees shall elect a presiding officer from the membership  
24 ~~[chairman. The chairman must be a member]~~ of the board.

25 SECTION 13. Section 815.202(c), Government Code, is amended  
26 to read as follows:

27 (c) To be eligible to serve as the executive director, a

1 person must:

2 (1) be a citizen of the United States and have been a  
3 resident [~~citizen~~] of the state for the three years immediately  
4 preceding the person's appointment; and

5 (2) have executive ability and experience to carry out  
6 the duties of the office.

7 SECTION 14. Section 815.207(b), Government Code, is amended  
8 to read as follows:

9 (b) The comptroller shall pay money from the funds of the  
10 retirement system on warrants drawn by the comptroller supported  
11 only on vouchers signed by the executive director and the presiding  
12 officer [~~chairman~~] of the board of trustees or their authorized  
13 representatives.

14 SECTION 15. Section 838.103(b), Government Code, is amended  
15 to read as follows:

16 (b) A member eligible to establish military service credit  
17 is one who:

18 (1) [~~currently contributes to the retirement system,~~  
19 [~~2~~] has at least eight years of service credit in the  
20 retirement system;

21 (2) (2) [~~3~~] does not receive and is not eligible to  
22 receive federal retirement payments based on 20 years or more of  
23 active federal military duty or its equivalent; and

24 (3) (3) [~~4~~] has been released from military duty under  
25 conditions not dishonorable.

26 SECTION 16. Section 838.106(a), Government Code, is amended  
27 to read as follows:

1 (a) A [~~contributing~~] member may establish service credit in  
2 the retirement system for any calendar year during which the  
3 member:

4 (1) held an office included in the membership of the  
5 retirement system; or

6 (2) was eligible to take the oath for an office  
7 included in the membership of the retirement system.

8 SECTION 17. Section 1551.102(d), Insurance Code, as  
9 effective June 1, 2003, is amended to read as follows:

10 (d) An individual is eligible to participate in the group  
11 benefits program as provided by Subsection (a) if the individual:

12 (1) retires under the optional retirement program  
13 established by Chapter 830, Government Code; and

14 (2) receives or is eligible to receive an annuity  
15 under that program and the individual[+]

16 [~~(A)~~] would have been eligible to retire and  
17 receive a service or disability retirement annuity from the Teacher  
18 Retirement System of Texas or the Employees Retirement System of  
19 Texas based on at least 10 years of service credit if the individual  
20 had not elected to participate in the optional retirement program[+]  
21 ~~or~~

22 [~~(B) is disabled as determined by the Employees~~  
23 ~~Retirement System of Texas~~].

24 SECTION 18. The change in law made by this Act to Section  
25 1551.102(d), Insurance Code, applies only to a person who was not  
26 participating in the program provided by Chapter 1551, Insurance  
27 Code, as an annuitant on the effective date of this Act.



1 SECTION 19. The following laws are repealed:

2 (1) Section 805.002(e), Government Code;

3 (2) Section 812.004, Government Code;

4 (3) Section 813.504(b), Government Code;

5 (4) Section 814.1041, Government Code;

6 (5) Section 815.502, Government Code; and

7 (6) Section 3(b), Chapter 22, Acts of the 57th  
8 Legislature, 3rd Called Session, 1962 (Article 6228a-5, Vernon's  
9 Texas Civil Statutes).

10 SECTION 20. This Act takes effect September 1, 2003.