

By: Armbrister

S.B. No. 1258

A BILL TO BE ENTITLED

1 AN ACT

2 relating to local supplementation of state contributions to the
3 optional retirement program for institutions of higher education
4 and certain agencies.

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

6 SECTION 1. Section 830.201, Government Code, is amended by
7 amending Subsection (a) and adding Subsection (g) to read as
8 follows:

9 (a) Except as provided by Subsection (g), each ~~Each~~ fiscal
10 year the state shall contribute to the optional retirement program
11 an amount equal to 8-1/2 percent of the aggregate annual
12 compensation of all participants in the program during that year. A
13 participant in the optional retirement program shall contribute to
14 the program 6.65 percent of the person's annual compensation.

15 (g) The General Appropriations Act may set the state
16 contribution at an amount equal to not less than six percent of the
17 aggregate annual compensation of all participants in the optional
18 retirement program during that year. Each fiscal year, an
19 institution of higher education or an agency authorized under
20 Section 830.101 to provide the optional retirement program to its
21 employees may use local or other sources of money to supplement the
22 state contribution. The state contribution and the supplemental
23 money shall be used to provide to an employee who was employed on
24 August 31, 1995, by an institution of higher education or an

1 authorized agency:

2 (1) the same employer contribution as the employee
3 received during the 1994-1995 biennium; and

4 (2) an employer contribution of up to 8-1/2 percent of
5 the aggregate annual compensation of all participants in the
6 optional retirement program during that year.

7 SECTION 2. This Act takes effect September 1, 2003, and
8 applies only to a contribution to the optional retirement program
9 made on or after the effective date of this Act. A contribution to
10 the optional retirement program that is made before the effective
11 date of this Act is governed by the law in effect at the time the
12 contribution was made, and the former law is continued in effect for
13 that purpose.