

By: Eiland

H.B. No. 107

A BILL TO BE ENTITLED

AN ACT

relating to public financing of retirement of state employees and officers; making an appropriation.

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

SECTION 1. Section 815.403, Government Code, is amended by amending Subsections (a), (b), and (d) and adding Subsection (a-1) to read as follows:

(a) During each fiscal year, the state shall contribute to the retirement system an amount sufficient to fund the liability of the retirement system for service retirement benefits, disability retirement benefits, and death benefits provided under this subtitle for members, retirees, and beneficiaries in both classes of membership during the fiscal year in which the contribution is made.

(a-1) The amount of the state contribution:

(1) must include:

(A) [~~(1)~~] an amount equal to at least 7.4 percent of the total compensation of all members of the retirement system for that year;

(B) [~~(2)~~] money to pay lump-sum death benefits for retirees under Section 814.501;

(C) [~~(3)~~] an amount for the law enforcement and custodial officer supplemental retirement fund equal to at least 2.13 percent of the aggregate state compensation of all custodial

1 and law enforcement officers for that year;

2 (D) [~~(4)~~] money necessary for the administration
3 of the law enforcement and custodial officer supplemental
4 retirement fund; and

5 (E) [~~(5)~~] money for service credit not
6 previously established, as provided by Section 813.202(c) or
7 813.302(d); and

8 (2) may not be less than the amount necessary to
9 satisfy the requirement of Subsection (a).

10 (b) Before November 2 of each even-numbered year, the
11 retirement system shall certify to the Legislative Budget Board and
12 to the budget division of the governor's office for review:

13 (1) an estimate of the amount necessary to pay the
14 state's contribution under Subsections (a-1)(1)(A), (a-1)(1)(B),
15 (a-1)(1)(C), and (a-1)(1)(E) [~~(a)(1), (a)(2), (a)(3), and (a)(5)~~]
16 for the following biennium; and

17 (2) as a separate item, an estimate of the amount
18 required to administer the law enforcement and custodial officer
19 supplemental retirement fund for the following biennium.

20 (d) Before September 1 of each year, the retirement system
21 shall certify to the state comptroller of public accounts:

22 (1) an estimate of the amount necessary to pay the
23 state's contribution under Subsection (a-1)(1)(A) [~~(a)(1)~~] for the
24 following fiscal year;

25 (2) an estimate of the amount necessary to pay
26 membership fees for the following fiscal year, if the legislature
27 has appropriated money for that purpose; and

1 (3) an estimate of the amount required to pay lump-sum
2 death benefits for retirees under Section 814.501 for the following
3 fiscal year.

4 SECTION 2. In addition to the estimated amounts
5 appropriated for the following purpose by S.B. No. 1, Acts of the
6 79th Legislature, Regular Session, 2005, the additional amount of
7 \$55 million is appropriated out of the general revenue fund to the
8 Employees Retirement System of Texas for the fiscal year beginning
9 September 1, 2006, for the purpose of making retirement
10 contributions for members of the retirement system.

11 SECTION 3. Section 815.403, Government Code, as amended by
12 this Act, applies beginning with the 2007-2008 fiscal year.

13 SECTION 4. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect on the 91st day after the last day of the
18 legislative session.