BILL ANALYSIS

BACKGROUND AND PURPOSE

During the 78th Regular Session, the Legislature passed House Bill 820 which provided that a Texas appellate judge was eligible to retire and receive a service retirement annuity if the appellate judge has served at least two full terms on an appellate court and if the sum of the judge's age and the amount of service *credited* in the Judicial Retirement System equaled or exceeded 70.   This is now recognized as the "Rule of 70" for Texas appellate judges.

Under this new structure, an appellate judge who has been elected, has served two full terms on an appellate court and who may have service credited from another state retirement plan could reach the "Rule of 70" and retire. However, in certain cases appellate judges who have met the "Rule of 70" choose not to retire but must still pay into the Judicial Retirement System even though they get no return on their investment. The current system, therefore, acts as a disincentive for qualified and experienced appellate judges who wish to continue to serve.

C.S.H.B. 617 seeks to cure this disincentive by providing that Texas appellate judges, who have served twelve years on an appellate court and who qualify for retirement under the "Rule of 70," will no longer contribute to the Judicial Retirement System.

RULEMAKING AUTHORITY

It is the opinion of the committee that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1: Amends Section 840.102 of the Government Code by adding that current Texas appellate judges, who have served twelve years on an appellate court and who meet the "Rule of 70," no longer will make contributions into the Judicial Retirement System.

SECTION 2: Effective Date

EFFECTIVE DATE

This Act is effective September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute differs from the original in that the substitute deletes the "two full terms" language in line 13 and inserts "twelve years."