

BILL ANALYSIS

H.B. 3125
By: Eiland
Pensions and Investments
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently an employee of an institution of higher education who retires is not eligible for the Optional Retirement Program if the person returns to work at the institution. If a person goes back to work for a corporation, the employee is allowed to contribute to their retirement account. ORP was founded on the principle of recruiting talent to Texas and hoping to be competitive with corporate America. With so many employees retiring, due to retirement incentives, institutions of higher education face difficulty in filling positions. Additionally, institutions face difficulty with employees not wishing to transition to part-time status because of the loss of their ORP.

The bill would allow an employee who retires and subsequently returns to an employment status that would otherwise be eligible for participation in the optional retirement program to have contributions remitted on the employee's behalf by the institution at the institution's discretion in accordance with rules adopted by the Texas Higher Education Coordinating Board.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 of this bill.

ANALYSIS

SECTION 1. Adds Section 830.102(e), Government Code, to allow an employee who retires and subsequently returns to an employment status that would otherwise be eligible for participation in the optional retirement program to have contributions remitted on the employee's behalf by the institution at the institution's discretion in accordance with rules adopted by the Texas Higher Education Coordinating Board.

SECTION 2. Effective date: September 1, 2005.

EFFECTIVE DATE

September 1, 2005.