

1-1 By: Nixon (Senate Sponsor - Duncan) H.B. No. 1114
1-2 (In the Senate - Received from the House April 6, 2005;
1-3 April 7, 2005, read first time and referred to Committee on State
1-4 Affairs; May 19, 2005, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;
1-6 May 19, 2005, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 1114 By: Duncan

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to contributions by and benefits for certain members and
1-11 retirees under the Judicial Retirement System of Texas Plan One and
1-12 Plan Two.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subchapter B, Chapter 833, Government Code, is
1-15 amended by adding Section 833.1035 to read as follows:

1-16 Sec. 833.1035. SERVICE IN EXCESS OF 20 YEARS. (a) Subject
1-17 to the limitation on the amount of a retirement annuity under
1-18 Section 834.102(c), an eligible member may establish service credit
1-19 in the retirement system for service in excess of 20 years performed
1-20 before September 1, 2005.

1-21 (b) A member eligible to establish credit under Subsection
1-22 (a) is one who elects to make contributions under Section 835.1015.

1-23 (c) A member may not establish more than 120 months of
1-24 service credit under this section.

1-25 (d) A member may establish credit under this section by
1-26 depositing with the retirement system a contribution computed for
1-27 each month of qualifying service claimed at the rate of six percent
1-28 of the member's current monthly state salary.

1-29 (e) The board of trustees may adopt rules to administer this
1-30 section.

1-31 SECTION 2. Section 834.102, Government Code, is amended by
1-32 adding Subsection (c) to read as follows:

1-33 (c) The service retirement annuity of a member qualifying
1-34 for retirement under Section 834.101(a) is the applicable state
1-35 salary under Subsection (a), multiplied by a percentage amount that
1-36 is the sum of 50 percent plus the product of two percent multiplied
1-37 by the number of years of subsequent service credit the member
1-38 accrues under Section 835.1015(a). After including any increase
1-39 under Subsection (b), the service retirement annuity under this
1-40 subsection may not be an amount that is greater than 80 percent of
1-41 the applicable salary under Subsection (a).

1-42 SECTION 3. Subsection (c), Section 835.101, Government
1-43 Code, is amended to read as follows:

1-44 (c) Except as provided by Section 835.1015, a [A] member who
1-45 accrues 20 years of service credit in the retirement system ceases
1-46 making contributions under this section.

1-47 SECTION 4. Subchapter B, Chapter 835, Government Code, is
1-48 amended by adding Section 835.1015 to read as follows:

1-49 Sec. 835.1015. CONTRIBUTIONS AFTER 20 YEARS OF SERVICE
1-50 CREDIT. (a) A judicial officer who is a member of the retirement
1-51 system and who accrues 20 years of service credit in the retirement
1-52 system may elect to make contributions for each subsequent year of
1-53 service credit that the member accrues by filing an application
1-54 with the retirement system.

1-55 (b) A member who elects to make contributions under
1-56 Subsection (a) shall contribute six percent of the member's state
1-57 compensation for each payroll period in the manner provided by
1-58 Sections 835.101(a) and (b).

1-59 (c) A member may not make contributions under this section
1-60 for more than 10 years of subsequent service credit that the member
1-61 accrues.

1-62 SECTION 5. Subchapter B, Chapter 838, Government Code, is
1-63 amended by adding Section 838.1035 to read as follows:

2-1 Sec. 838.1035. SERVICE IN EXCESS OF 20 YEARS. (a) Subject
2-2 to the limitation on the amount of a retirement annuity under
2-3 Section 839.102(d), an eligible member may establish service credit
2-4 in the retirement system for service in excess of 20 years performed
2-5 before September 1, 2005.

2-6 (b) A member eligible to establish credit under Subsection
2-7 (a) is one who elects to make contributions under Section 840.1025.

2-8 (c) A member may not establish more than 120 months of
2-9 service credit under this section.

2-10 (d) A member may establish credit under this section by
2-11 depositing with the retirement system a contribution computed for
2-12 each month of qualifying service claimed at the rate of six percent
2-13 of the member's current monthly state salary.

2-14 (e) The board of trustees may adopt rules to administer this
2-15 section.

2-16 SECTION 6. Section 839.102, Government Code, is amended by
2-17 amending Subsection (a) and adding Subsection (d) to read as
2-18 follows:

2-19 (a) Except as provided by Subsections (b), ~~and~~ (c), and
2-20 (d), the standard service retirement annuity is an amount equal to
2-21 50 percent of the state salary being paid at the time the member
2-22 retires to a judge of a court of the same classification as the last
2-23 court to which the retiring member was elected or appointed.

2-24 (d) The service retirement annuity of a member qualifying
2-25 for retirement under Section 839.101(a) is the applicable state
2-26 salary under Subsection (a) multiplied by a percentage amount that
2-27 is the sum of 50 percent plus the product of two percent multiplied
2-28 by the number of years of subsequent service credit the member
2-29 accrues under Section 840.1025(a). After including any increase
2-30 under Subsection (b), the service retirement annuity under this
2-31 subsection may not be an amount that is greater than 80 percent of
2-32 the applicable salary under Subsection (a).

2-33 SECTION 7. Subsection (g), Section 840.102, Government
2-34 Code, is amended to read as follows:

2-35 (g) Except as provided by Section 840.1025, a [A] member who
2-36 accrues 20 years of service credit in the retirement system ceases
2-37 making contributions under this section but is considered a
2-38 contributing member for all other purposes under this subtitle.

2-39 SECTION 8. Subchapter B, Chapter 840, Government Code, is
2-40 amended by adding Section 840.1025 to read as follows:

2-41 Sec. 840.1025. CONTRIBUTIONS AFTER 20 YEARS OF SERVICE
2-42 CREDIT. (a) A judicial officer who is a member of the retirement
2-43 system and who accrues 20 years of service credit in the retirement
2-44 system may elect to make contributions for each subsequent year of
2-45 service credit that the member accrues by filing an application
2-46 with the retirement system.

2-47 (b) A member who elects to make contributions under
2-48 Subsection (a) shall contribute six percent of the member's state
2-49 compensation for each payroll period in the manner provided by
2-50 Sections 840.102(b)-(f).

2-51 (c) A member may not make contributions under this section
2-52 for more than 10 years of subsequent service credit that the member
2-53 accrues.

2-54 SECTION 9. Sections 834.102 and 839.102, Government Code,
2-55 as amended by this Act, apply only to a benefit payment made by the
2-56 Judicial Retirement System of Texas Plan One or the Judicial
2-57 Retirement System of Texas Plan Two on or after September 1, 2005.

2-58 SECTION 10. This Act takes effect September 1, 2005.

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