

By: Kolkhorst, Eiland, Griggs,
Smith of Tarrant, Berman, et al.

H.B. No. 1579

A BILL TO BE ENTITLED

1 AN ACT

2 relating to contributions and eligibility for benefits of and
3 reports concerning certain retired members of the Teacher
4 Retirement System of Texas; imposing a penalty.

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

6 SECTION 1. Section 824.602(a), Government Code, is amended
7 to read as follows:

8 (a) Subject to Section 825.506, the retirement system may
9 not, under Section 824.601, withhold a monthly benefit payment if
10 the retiree is employed in a Texas public educational institution:

11 (1) as a substitute only with pay not more than the
12 daily rate of substitute pay established by the employer and, if the
13 retiree is a disability retiree, the employment has not exceeded a
14 total of 90 days in the school year;

15 (2) in a position, other than as a substitute, on no
16 more than a one-half time basis for the month;

17 (3) in one or more positions on as much as a full-time
18 basis, if the work occurs in not more than six months of a school
19 year that begins after the retiree's effective date of retirement;

20 (4) in a position, other than as a substitute, on no
21 more than a one-half time basis for no more than 90 days in the
22 school year, if the retiree is a disability retiree;

23 (5) in a position as a classroom teacher on as much as
24 a full-time basis, if the retiree has retired under Section

1 824.202(a), is certified under Subchapter B, Chapter 21, Education
2 Code, to teach the subjects assigned, is teaching in an acute
3 shortage area as determined by the board of trustees of a school
4 district as provided by Subsection (m), and has been separated from
5 service with all public schools for at least 12 months;

6 (6) in a position as a principal, including as an
7 assistant principal, on as much as a full-time basis, if the retiree
8 has retired under Section 824.202(a) without reduction for
9 retirement at an early age, is certified under Subchapter B,
10 Chapter 21, Education Code, to serve as a principal, and has been
11 separated from service with all public schools for at least 12
12 months; or

13 (7) as a bus driver for a school district on as much as
14 a full-time basis, if the retiree has retired under Section
15 824.202(a), and the retiree's primary employment is as a bus
16 driver.

17 SECTION 2. Subchapter G, Chapter 824, Government Code, is
18 amended by adding Section 824.6022 to read as follows:

19 Sec. 824.6022. REQUIRED REPORTS; OFFENSE. (a) An employer
20 shall file a monthly certified statement of employment of a retiree
21 in the form and manner required by the retirement system.

22 (b) A person commits an offense if the person is an
23 administrator of an employer, is responsible for filing a statement
24 under Subsection (a), and knowingly fails to file the statement as
25 required.

26 SECTION 3. Section 825.308, Government Code, is amended to
27 read as follows:

1 Sec. 825.308. STATE CONTRIBUTION ACCOUNT. The retirement
2 system shall deposit in the state contribution account:

3 (1) all state contributions to the retirement system
4 required by Section 825.404;

5 (2) amounts from the interest account as provided by
6 Section 825.313(b)(2);

7 (3) retirement annuities waived or forfeited in
8 accordance with Section 824.601 or 824.004;

9 (4) fees collected under Section 825.403(h);

10 (5) fees and interest for reinstatement of service
11 credit or establishment of membership service credit as provided by
12 Section 823.501;

13 (6) the portion of a deposit required by Section
14 823.302 to establish military service credit that represents a fee;
15 [~~and~~]

16 (7) the portion of a deposit required by Section
17 823.401(e) to establish out-of-state service credit that
18 represents a fee; and

19 (8) employer contributions required under Section
20 825.4092.

21 SECTION 4. Subchapter E, Chapter 825, Government Code, is
22 amended by adding Section 825.4092 to read as follows:

23 Sec. 825.4092. EMPLOYER CONTRIBUTIONS FOR EMPLOYED
24 RETIREES. (a) This section applies to an employer who reports to
25 the retirement system the employment of a retiree.

26 (b) Except as provided by Subsection (e), during each
27 payroll period for which a retiree is reported, the employer shall

1 contribute to the retirement system for each retiree reported an
2 amount based on the retiree's salary equal to the sum of:

3 (1) the current contribution amount that would be
4 contributed by the retiree if the retiree were an active,
5 contributing member; and

6 (2) the current contribution amount authorized by the
7 General Appropriations Act that the state would contribute for that
8 retiree if the retiree were an active, contributing member.

9 (c) Except as provided by Subsection (e), each payroll
10 period, for each retiree who is enrolled in the Texas Public School
11 Employees Group Benefits Program under Chapter 1575, Insurance
12 Code, the employer who reports the employment of a retiree shall
13 contribute to the trust fund established under that chapter any
14 difference between the amount the retiree is required to pay for the
15 retiree and any enrolled dependents to participate in the group
16 program and the full cost of the retiree's and enrolled dependents'
17 participation in the group program, as determined by the retirement
18 system. If more than one employer reports the retiree to the
19 retirement system during a month, the amount of the required
20 payment shall be prorated among the employers.

21 (d) Contributions under this section are subject to the
22 requirements of Section 825.408.

23 (e) The amounts required to be paid under Subsections (b)
24 and (c) are not required to be paid by a reporting employer for a
25 retiree who was reported by that employer under retirement system
26 rules in effect for the report month of January 2005.

27 (f) This section does not prevent an employer and a retiree

1 from negotiating and entering into a contract that allows both
2 parties to contribute to the amounts the employer must contribute
3 to the retirement system under Subsections (b) and (c).

4 SECTION 5. Section 1575.204, Insurance Code, is amended to
5 read as follows:

6 Sec. 1575.204. PUBLIC SCHOOL CONTRIBUTION. (a) Each state
7 fiscal year, each public school shall contribute to the fund the
8 amount prescribed by the General Appropriations Act, which may not
9 be less than 0.25 percent or greater than 0.75 percent of the salary
10 of each active employee of the public school. The public school
11 shall make the contributions on a monthly basis and as otherwise
12 prescribed by the trustee.

13 (b) Each state fiscal year, each employer who reports to the
14 retirement system under Section 824.6022, Government Code, the
15 employment of a retiree who is enrolled in the group program shall
16 contribute to the fund the difference, if any, between the
17 contribution amount that the reported retiree is required to pay
18 for the retiree and any enrolled dependents to participate in the
19 group program and the full cost of the retiree's and enrolled
20 dependents' participation in the group program, as determined by
21 the trustee.

22 SECTION 6. (a) Section 824.602, Government Code, as
23 amended by this Act, applies only to a person who retires from the
24 Teacher Retirement System of Texas on or after the effective date of
25 this Act. A person who retires from the Teacher Retirement System of
26 Texas before the effective date of this Act is governed by the law
27 as it existed immediately before the effective date of this Act, and

1 that law is continued in effect for that purpose.

2 (b) The changes in law made by this Act to the laws that
3 affect employer contributions apply to any retiree of the Teacher
4 Retirement System of Texas employed by an employer as defined by
5 Section 821.001, Government Code, during any month after the
6 effective date of this Act.

7 SECTION 7. This Act takes effect September 1, 2005.