

BILL ANALYSIS

H.B. 3392
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Pensions & Investments
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current law, when a municipal employee who is a member of the Texas Municipal Retirement System (TMRS) retires and begins receiving their retirement benefit they cannot be re-employed by the same city without suspension of that retirement benefit.

The governing body in certain municipalities has, at times, decided to privatize a department and contract for the service with a private company. There are, however, instances when the municipality will reverse its decision to privatize. When this decision is reversed, employees who retired from the municipality to join the privatized service provider may wish to return to work for the municipality.

This bill will allow certain municipal retirees within the TMRS who retired due to the privatization of their department and who later wishes to resume employment in the same or successor department for the same municipality, to return to work for the same municipality and continue to receive their retirement benefit.

RULEMAKING AUTHORITY

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

ANALYSIS

This bill would allow employees who retired because the department became privatized and began receiving their retirement benefit, to return to work for the same department or a successor department in the same municipality without suspension of their retirement benefit.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.