

## **BILL ANALYSIS**

S.B. 1039  
By: Lucio  
Pensions & Investments  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Current law requires school districts to begin the school year no earlier than the fourth Monday in August. Schools that start later in August have to extend the school year into June. The changes in the school year calendar and current policies relating to the rehiring of retired teachers lead to an inadvertent forfeiture of the annuity checks currently received by these teachers in June. Many school retirees return to work under the six-month exemption, which allows retiree teachers to return to teaching for up to six months in a full-time position without losing benefits. After six months, the Teacher Retirement System (TRS) forfeits the annuity checks in any month that the retired, rehired teachers work even one day.

This bill would allow a retired member of the TRS who returns to work at a Texas public educational institution to work into the month of June of a school year if the work cannot be completed by May 31 and the retiree does not work beyond June 15 of that year.

Also under current law, return to work retirees may be required to attend professional development classes or activities, which could cause them to lose their annuity for that month. This bill would provide that time spent by a retiree attending professional development classes or activities is not considered work for the purpose of causing retirees' annuities to be forfeited.

### **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 amends the Government Code to allow a TRS retiree who returns to work at a Texas public educational institution to continue their employment beyond May 31 but not later than June 15 and receive a monthly annuity payment in June.

This bill also provides that professional development classes or activities are not considered work for the purposes of the provisions of this bill.

### **EFFECTIVE DATE**

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