

By: Ritter

H.B. No. 232

A BILL TO BE ENTITLED

AN ACT

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relating to employer contributions for certain retirees under the Teacher Retirement System of Texas who are employed by an institution of higher education.

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

SECTION 1. Section 825.4092, Government Code, is amended by amending Subsections (b) and (c) and adding Subsection (f) to read as follows:

(b) Except as provided by Subsections [~~Subsection~~] (e) and (f), during each payroll period for which a retiree is reported, the employer shall contribute to the retirement system for each retiree reported an amount based on the retiree's salary equal to the sum of:

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

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

(c) Except as provided by Subsections [~~Subsection~~] (e) and (f), each payroll period, for each retiree who is enrolled in the Texas Public School Employees Group Insurance Program under Chapter 1575, Insurance Code, the employer who reports the employment of a retiree shall contribute to the trust fund established under that

1 chapter any difference between the amount the retiree is required
2 to pay for the retiree and any enrolled dependents to participate in
3 the group program and the full cost of the retiree's and enrolled
4 dependents' participation in the group program, as determined by
5 the retirement system. If more than one employer reports the
6 retiree to the retirement system during a month, the amount of the
7 required payment shall be prorated among the employers.

8 (f) The amounts required to be paid under Subsections (b)
9 and (c) are not required to be paid by a reporting employer that is
10 an institution of higher education, as that term is defined by
11 Section 61.003, Education Code.

12 SECTION 2. Section 1575.204(b), Insurance Code, is amended
13 to read as follows:

14 (b) Each state fiscal year, each employer who reports to the
15 retirement system under Section 824.6022, Government Code, the
16 employment of a retiree who is enrolled in the group program shall
17 contribute to the fund the difference, if any, between the
18 contribution amount that the reported retiree is required to pay
19 for the retiree and any enrolled dependents to participate in the
20 group program and the full cost of the retiree's and enrolled
21 dependents' participation in the group program, as determined by
22 the trustee. The amounts required to be paid under this subsection
23 are not required to be paid by a reporting employer for a retiree
24 who was reported by that employer under retirement system rules in
25 effect for the report month of January 2005. The amounts required to
26 be paid under this subsection are not required to be paid by a
27 reporting employer that is an institution of higher education, as

1 that term is defined by Section 61.003, Education Code.

2 SECTION 3. This Act takes effect September 1, 2007.