

BILL ANALYSIS

H.B. 1979
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Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In January 2009, certain law enforcement employees were transferred from the City of Austin's Public Safety Emergency Management Department to the Austin Police Department. As currently written, the law does not allow these officers, who are working and contributing to the police retirement system, the opportunity to collect retirement benefit from the municipal retirement system.

H.B. 1979 provides employees transferred from a position covered by one retirement system to another position covered by a different retirement system the full advantage that is afforded to other participants in the proportionate retirement program. The bill allows transferred employees to receive retirement benefits from each system without regard to their continued employment covered by another retirement system.

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

H.B. 1979 amends the law relating to municipal retirement systems in municipalities having a population of more than 600,000 but less than 700,000 to add, as an alternative criterion for meeting the "normal retirement age," 23 years of creditable service, regardless of age. The bill entitles a member who retires after reaching normal retirement age and continues or resumes employment with the employer in a position that is required to participate in another retirement system, to continue receiving the retirement allowance. The bill clarifies that a retired member who resumes regular full-time employment with an employer automatically resumes membership as an active contributory member if the current employment is in a position that is not required to participate in another retirement system sponsored by the employer. The bill conditions the suspension of retirement allowance of a member who resumes employment on that employment being in a position in which the employee is required to participate in the retirement system.

H.B. 1979 redefines "normal retirement date" and "normal retirement age."

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect October 1, 2009.