

By: Herrero

H.B. No. 687

A BILL TO BE ENTITLED

AN ACT

relating to long-term funding of benefits for retired teachers.

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

SECTION 1. Chapter 1575, Insurance Code, is amended by adding Subchapter G-1 to read as follows:

SUBCHAPTER G-1. RETIREE HEALTH BENEFITS FUND

Sec. 1575.321. DEFINITION. In this subchapter, "retiree health benefits fund" means the public school retiree health benefits fund established under this subchapter.

Sec. 1575.322. ADMINISTRATION OF FUND. The trustee shall administer the retiree health benefits fund.

Sec. 1575.323. PAYMENTS INTO FUND. (a) The following shall be paid into the retiree health benefits fund:

(1) contributions from active employees, employers, and the state as required by the General Appropriations Act;

(2) investment income; and

(3) other money required or authorized to be paid into the fund.

(b) Contributions to the retiree health benefits fund are in addition to other contributions made under this chapter and may be collected in the same manner as other contributions are collected under this chapter.

Sec. 1575.324. PAYMENTS FROM FUND. (a) Money in the retiree health benefits fund may be transferred to the retired

1 school employees group insurance fund for use in accordance with
2 Subsection (b).

3 (b) Money in the retiree health benefits fund may be used
4 only to provide health benefits for a retiree who was born on or
5 after September 1, 1977. The legislature reserves the right to
6 specify additional retirees for whom payments may be made from the
7 fund.

8 (c) The retiree health benefits fund is held in trust for
9 the benefit of the retirees described by Subsection (b) and may not
10 be diverted.

11 Sec. 1575.325. INVESTMENT OF FUND. The trustee may invest
12 money in the retiree health benefits fund in the manner provided by
13 Subchapter D, Chapter 825, Government Code, for assets of the
14 Teacher Retirement System of Texas.

15 Sec. 1575.326. MANAGEMENT OF ASSETS. The trustee may
16 commingle, for investment purposes only, the assets of a fund
17 created under this subchapter with another fund created under this
18 chapter or any other trust fund administered by the trustee if the
19 trustee maintains and credits proportionate ownership records.

20 SECTION 2. This Act takes effect September 1, 2009.