

By: Truitt

H.B. No. 3608

Substitute the following for H.B. No. 3608:

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C.S.H.B. No. 3608

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the deduction of qualified health insurance premiums
3 from annuities payable by the Teacher Retirement System of Texas to
4 certain retired public safety officers.

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

6 SECTION 1. Subchapter A, Chapter 824, Government Code, is
7 amended by adding Section 824.007 to read as follows:

8 Sec. 824.007. DEDUCTIONS FROM SERVICE OR DISABILITY
9 RETIREMENT ANNUITY. (a) In this section, "program administrator"
10 means the person who administers the uniform program under Section
11 1601.102, Insurance Code.

12 (b) An individual eligible to participate in the uniform
13 program under Section 1601.102, Insurance Code, may authorize the
14 retirement system to deduct the amount of the contribution and any
15 other qualified health insurance premium from the individual's
16 regular monthly service or disability retirement annuity payment if
17 the individual is:

18 (1) eligible to receive a monthly annuity from the
19 retirement system greater than the amount of the authorized
20 deduction; and

21 (2) eligible under Section 402(1), Internal Revenue
22 Code of 1986, or a similar law, to elect to exclude from annual
23 gross income up to \$3,000 of distributions from an eligible
24 retirement plan used for qualified health insurance premiums.

1 (c) An individual may authorize the deduction described by
2 Subsection (b) on a form provided by the program administrator. The
3 program administrator shall coordinate the implementation of an
4 authorization under Subsection (b) with the retirement system.

5 (d) After making the deductions, the retirement system
6 shall pay to the program administrator an aggregate amount for all
7 individuals who authorize annuity deductions under Subsection (b).

8 (e) If an individual no longer receives a monthly annuity
9 greater than the amount of the authorized deduction, the retirement
10 system:

11 (1) shall inform the program administrator; and

12 (2) is not required to make any deduction under this
13 section for the individual.

14 (f) The retirement system is not required to accept an
15 authorization for a deduction under this section if payment of
16 qualified health insurance premiums by deduction from a retirement
17 plan annuity is not required for an eligible retiree to elect the
18 gross income exclusion described by Subsection (b)(2).

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