

## **BILL ANALYSIS**

C.S.H.B. 246  
By: Johnson  
Pensions, Investments & Financial Services  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Members of the Texas Legislature and elected officials in the executive branch of state government who are convicted of felony offenses related to corruption remain eligible to receive retirement benefits as members of the elected class of the Employees Retirement System of Texas. Pensions for legislators and statewide elected officials should be conditioned on honorable service to the state and to constituents. C.S.H.B. 246 requires that retirement benefit payments to an elected official in the legislature or in the executive branch be suspended on the official's conviction for certain felony offenses related to corruption.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the board of trustees of the Employees Retirement System of Texas in SECTION 1 of this bill.

### **ANALYSIS**

C.S.H.B. 246 amends the Government Code to establish that a member of the elected class of the Employees Retirement System of Texas (ERS) is not eligible to receive a service retirement annuity for service credit in the elected class under the retirement system if the member is convicted of a qualifying felony committed while in office and arising directly from the official duties of that elected office. The bill requires ERS to suspend payments of an annuity to a person ineligible to receive the annuity as a result of such conviction. The bill entitles a person whose conviction is overturned on appeal or who has received a full pardon on the basis of innocence for the crime for which the person was sentenced or been granted relief on the basis of actual innocence of the crime for which the person was sentenced to receive an amount equal to the accrued total of payments and interest earned on the payments withheld during the suspension period and authorizes the person to resume receipt of annuity payments on payment to ERS of an amount equal to the contributions refunded to the person under the bill's provisions.

C.S.H.B. 246 entitles a member who is not eligible to receive a service retirement annuity as a result of a qualifying conviction under the bill's provisions to a refund of the member's retirement annuity contributions, including interest earned on those contributions. The bill specifies that benefits payable to an alternate payee recognized by a domestic relations order established before September 1, 2011, as having a right to such benefits are not affected by a member's ineligibility to receive a retirement annuity as a result of a conviction under the bill's provisions. The bill establishes that ineligibility for a retirement annuity under these provisions does not impair a person's right to any other retirement benefit for which the person is eligible. The bill requires the board of trustees of ERS to adopt rules and procedures to implement its provisions.

C.S.H.B. 246 makes its provisions applicable only to a member of ERS who holds a state office normally filled by statewide election and not included under either of the state's judicial retirement systems or who is a member of the legislature.

C.S.H.B. 246 defines "qualifying felony."

C.S.H.B. 246 repeals Article 6220, Revised Statutes, relating to pension entitlements.

**EFFECTIVE DATE**

September 1, 2011.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 246 contains a provision not included in the original authorizing a person whose conviction is overturned on appeal or who has received a full pardon on the basis of innocence for the crime for which the person was sentenced or been granted relief on the basis of actual innocence of that crime to resume receiving annuity payments on payment to the Employees Retirement System of Texas of an amount equal to the contributions refunded to the person under the bill's provisions.

C.S.H.B. 246 differs from the original by entitling a member who is not eligible to receive a service retirement annuity as a result of a conviction under the bill's provisions to a refund of the member's retirement annuity contributions, including interest earned on those contributions, whereas the original excludes the interest earned on the contributions from such person's entitlement to that refund.

C.S.H.B. 246 differs from the original by specifying that benefits payable to an alternate payee who is recognized by a domestic relations order established before September 1, 2011, are not affected by a member's ineligibility to receive a retirement annuity, whereas the original does not include such a date for a domestic relations order.