

BILL ANALYSIS

S.B. 1669
By: Duncan
Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties contend that return-to-work provisions under the statutes governing the Teacher Retirement System of Texas (TRS) have become increasingly complex and difficult to administer. Observers have noted that, although the statutes generally allow a TRS retiree to return to work in a full-time position in Texas public education for up to six months per school year without losing annuity payments, there are numerous other return-to-work policies also in place that result in some confusion for retirees.

S.B. 1669 seeks to address these matters by clarifying the conditions under which a TRS retiree may return to work in Texas public education without loss of the retiree's monthly annuity payments.

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

S.B. 1669 amends the Government Code to exempt a retiree of the Teacher Retirement System of Texas (TRS) who is eligible to retire and receive a standard service retirement annuity and whose effective date of retirement is on or before January 1, 2011, from statutory provisions disqualifying a retiree from an entitlement to service or disability retirement benefit payments, as applicable, for any month in which the retiree is employed in any position by a Texas public educational institution.

S.B. 1669 reenacts and amends Section 824.602(a), Government Code, as amended by Chapters 674 (S.B. 132) and 1359 (S.B. 1691), Acts of the 79th Legislature, Regular Session, 2005, to prohibit TRS from withholding a monthly benefit if the retiree is employed in a Texas public educational institution in one or more positions on as much as a full-time basis, if the retiree has been separated from service with all Texas public educational institutions for at least 12 full consecutive months after the retiree's effective date of retirement, rather than if the work occurs in not more than six months of a school year that begins after the retiree's effective date of retirement. The bill removes the prohibition against TRS withholding a monthly benefit payment if the retiree is employed in a Texas public educational institution in the following capacities:

- in a position as a classroom teacher on as much as a full-time basis, if the retiree is certified to teach the subjects assigned, is teaching in an acute shortage area as determined by the board of trustees of a school district, and has been separated from service with all public schools for at least 12 months;
- in a position as a principal, including as an assistant principal, on as much as a full-time basis, if the retiree has retired without reduction for retirement at an early age, is certified to serve as a principal, and has been separated from service with all public schools for at least 12 months;

- as a bus driver for a school district on as much as a full-time basis, if the retiree's primary employment is as a bus driver; or
- as a faculty member, during the period beginning with the 2005 fall semester and ending on the last day of the 2015 spring semester, in an undergraduate professional nursing program or graduate professional nursing program and if the retiree has been separated from service with all public schools for at least 12 months.

S.B. 1669 amends the Government Code, in a statutory provision prohibiting TRS from withholding a monthly benefit of a disability retiree employed in a Texas public educational institution in a position other than as a substitute for a period not to exceed three consecutive months, to remove the specification that the three consecutive months be three consecutive months of the school year. The bill makes conforming changes to reflect the removal of this specification. The bill includes a retiree whose effective date of retirement is on or before January 1, 2011, in a statutory provision establishing that employment of certain retirees does not entitle such retirees to additional service credit and exempting such reemployed retirees from having to make a contribution to TRS from compensation for that employment.

S.B. 1669 entitles a person who resumed employment after retirement and whose benefit payments were suspended under statutory provisions relating to loss of monthly benefits as those statutory provisions existed before amendment by the bill to the resumption of monthly benefit payments if the person meets the requirements of the bill's provisions. The bill requires TRS to resume making monthly benefit payments to such a person on the first payment date occurring on or after the bill's effective date. The bill establishes that a person entitled to the resumption of monthly benefits is not entitled to recover benefit payments not made during the period the person's benefit was suspended. The bill establishes that to the extent of any conflict, the bill's provisions prevail over another act of the 82nd Legislature, Regular Session, 2011, relating to nonsubstantive additions to and corrections in enacted codes.

S.B. 1669 makes conforming and nonsubstantive changes.

S.B. 1669 repeals Sections 824.602(c), (d), (m), (p), and (q), Government Code, relating to the prohibition against TRS withholding a monthly benefit payment for certain retirees employed in a Texas public educational institution.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.