

AN ACT

relating to the resumption of employment by certain retirees within the Texas Municipal Retirement System.

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

SECTION 1. Section 852.108, Government Code, is amended by amending Subsections (c), (e), and (f) and adding Subsection (j) to read as follows:

(c) The retirement system shall discontinue and suspend payments of each service retirement annuity that is allowed because of the person's previous service with the reemploying municipality beginning with the month the retirement system determines that the person has again become an employee of the reemploying municipality. After the suspension and except as provided by Subsection (j), the retirement system may not make payments of the annuity for any month during which the person remains an employee of the reemploying municipality. The suspension of a benefit under this section does not suspend payment of a benefit to an alternate payee under a qualified domestic relations order.

(e) After termination of employment with the reemploying municipality and after filing of an application for resumption of retirement with the board of trustees, a person described by Subsection (b) is entitled to receive future payments of the suspended annuity, as provided by Subsection (f), and to the additional benefits as provided by Subsections (g), (h), ~~and~~ (i).

1 and (j).

2 (f) Monthly payments of a suspended annuity shall be resumed
3 in the month following the month in which employment is terminated
4 with the reemploying municipality, without change in the amount
5 except for any increase allowed under Section 854.203 or the
6 duration of or another condition pertaining to the suspended
7 benefit. Except as provided by Subsection (j), payment ~~[Payment]~~
8 of the resumed benefit may not be made for any month during which
9 the payment was suspended under this section.

10 (j) A person to whom this section applies shall receive a
11 lump-sum payment in an amount equal to the sum of the service
12 retirement annuity payments the person would have received had the
13 person's annuity payments not been discontinued and suspended under
14 this section if the person:

15 (1) initially retired based on a bona fide termination
16 of employment; and

17 (2) resumed employment with the person's reemploying
18 municipality at least eight years after the effective date of the
19 person's retirement.

20 SECTION 2. The change in law made by this Act applies only
21 to a member of the Texas Municipal Retirement System who terminates
22 employment with the person's reemploying municipality and files an
23 application for resumption of retirement with the board of trustees
24 of the Texas Municipal Retirement System under Section 852.108(e),
25 Government Code, as amended by this Act, on or after the effective
26 date of this Act. A member who terminates employment with the
27 person's reemploying municipality and files an application for

1 resumption of retirement with the board under Section 852.108(e),
2 Government Code, before the effective date of this Act is governed
3 by the law as it existed immediately before that date, and the
4 former law is continued in effect for that purpose.

5 SECTION 3. This Act takes effect immediately if it receives
6 a vote of two-thirds of all the members elected to each house, as
7 provided by Section 39, Article III, Texas Constitution. If this
8 Act does not receive the vote necessary for immediate effect, this
9 Act takes effect September 1, 2011.

President of the Senate

Speaker of the House

I certify that H.B. No. 159 was passed by the House on May 13, 2011, by the following vote: Yeas 91, Nays 49, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 159 was passed by the Senate on May 21, 2011, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor