

By: Sheets

H.B. No. 1303

A BILL TO BE ENTITLED

AN ACT

relating to retirement benefits for state employees who return to work with the state.

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

SECTION 1. Section 812.201, Government Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) Except as provided by Subsection (c) or (d), a retiree may not rejoin the retirement system as a member of the class from which the person retired.

(d) A person who is retired from the employee class of membership and who again holds a position included in that class may elect to become a member again by filing notice with the retirement system. Except as provided by Section 812.2031(c), when benefit payments are resumed, the retirement system shall recompute the annuity selected at the time of the person's original retirement to include the additional service established during membership under this subsection.

SECTION 2. Section 812.202, Government Code, is amended to read as follows:

Sec. 812.202. BENEFITS NOT AFFECTED. [~~a~~] The payment of benefits to a retiree is not affected by:

(1) the retiree's taking a position included in a class of membership other than a class from which the person retired; or

1           (2) the retiree's serving the state as an independent  
2 contractor.

3           ~~[(b) The payment of benefits to a retiree for service~~  
4 ~~credited in the employee class of membership is not affected by the~~  
5 ~~retiree's taking a position included in the employee class.]~~

6           SECTION 3. The heading to Section 812.203, Government Code,  
7 is amended to read as follows:

8           Sec. 812.203. BENEFITS AFFECTED: ELECTED CLASS.

9           SECTION 4. Subchapter C, Chapter 812, Government Code, is  
10 amended by adding Section 812.2031 to read as follows:

11           Sec. 812.2031. BENEFITS AFFECTED: EMPLOYEE CLASS. (a) If a  
12 retiree resumes work in a position included in the employee class of  
13 membership, the retirement system shall suspend annuity payments to  
14 the person for service that was credited in that class, until the  
15 person no longer holds that position.

16           (b) Time during which annuity payments are suspended as  
17 provided by this section does not reduce the number of months  
18 payments are to be made under an optional benefit selection  
19 providing for a specific amount of benefits for a guaranteed number  
20 of months after retirement.

21           (c) If a member who originally retired with service credited  
22 at the time of that retirement only in the employee class of  
23 membership again retires, the person at the time of subsequent  
24 retirement may select an annuity based on service in the employee  
25 class as if the person were retiring for the first time. If the  
26 person selects an annuity under Section 814.108(c)(3) or (4), the  
27 retirement system shall reduce the number of months of guaranteed

1 payment by the number of months for which an annuity was paid under  
2 the person's original retirement.

3 SECTION 5. Section 812.206, Government Code, is amended to  
4 read as follows:

5 Sec. 812.206. RETURN TO WORK CONTRIBUTIONS [~~SURCHARGE~~].

6 (a) This section applies only to a person who, on or after  
7 September 1, 2009:

8 (1) retires from the employee class; and

9 (2) is rehired as a retiree into a position that would  
10 otherwise require [~~include~~] membership in the employee class.

11 (b) A person who elects to become a member again under  
12 Section 812.201(d) earns service credit and shall resume making  
13 membership contributions as provided by Section 815.402 for each  
14 month of reemployment. For each month that a department or agency  
15 of this state employs that [~~a~~] person [~~described by Subsection~~  
16 ~~(a)~~], the department or agency shall remit to the retirement system  
17 an amount equal to the amount of the state contribution that the  
18 department or agency would remit for any other [~~an~~] active member  
19 employed in the person's position. The amount remitted shall be  
20 deposited as provided by Section 815.309.

21 (c) A person who does not elect to become a member again  
22 under Section 812.201(d) does not earn service credit and is not  
23 required to make membership contributions under Section 815.402.  
24 Neither the state nor the department or agency employing the person  
25 is required to remit the amount to the retirement system that would  
26 be required of the employing department or agency under Subsection  
27 (b).

1           SECTION 6. The change in law made by this Act applies only  
2 to the service retirement benefits payable to a person who is a  
3 retiree of the employee class of membership in the Employees  
4 Retirement System of Texas who resumes employment in the employee  
5 class on or after the effective date of this Act. The service  
6 retirement benefits payable to a retiree who resumes employment in  
7 the employee class before the effective date of this Act are  
8 governed by the law in effect on the date of the resumption of  
9 employment, and that law is continued in effect for that purpose.  
10           SECTION 7. This Act takes effect September 1, 2011.