1 AN ACT

- 2 relating to the powers and duties of and contributions to and
- 3 benefits from the systems and programs administered by the
- 4 Employees Retirement System of Texas.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- 6 SECTION 1. Subchapter A, Chapter 609, Government Code, is
- 7 amended by adding Section 609.015 to read as follows:
- 8 Sec. 609.015. BENEFICIARY CAUSING DEATH OF PARTICIPATING
- 9 EMPLOYEE. (a) Any benefits, funds, or account balances payable on
- 10 the death of a participating employee may not be paid to a person
- 11 convicted of or adjudicated as having caused that death but instead
- 12 are payable as if the convicted person had predeceased the
- 13 <u>decedent.</u>
- 14 (b) The plan is not required to change the recipient of any
- 15 benefits, funds, or account balances under this section unless it
- 16 receives actual notice of the conviction or adjudication of a
- 17 beneficiary. However, the plan may delay payment of any benefits,
- 18 funds, or account balances payable on the death of a participating
- 19 employee pending the results of a criminal investigation or civil
- 20 proceeding and other legal proceedings relating to the cause of
- 21 <u>death.</u>
- (c) For the purposes of this section, a person has been
- 23 convicted of or adjudicated as having caused the death of a
- 24 participating employee if the person:

- 1 (1) pleads guilty or nolo contendere to, or is found
- 2 guilty by a court or jury in a criminal proceeding of, causing the
- 3 death of the participating employee, regardless of whether sentence
- 4 is imposed or probated, and no appeal of the conviction is pending
- 5 and the time provided for appeal has expired; or
- 6 (2) is found liable by a court or jury in a civil
- 7 proceeding for causing the death of the participating employee and
- 8 no appeal of the judgment is pending and the time provided for
- 9 appeal has expired.
- 10 SECTION 2. Subsection (c), Section 659.140, Government
- 11 Code, is amended to read as follows:
- 12 (c) The [Each member of the] state policy committee must:
- 13 (1) be composed of employees and retired state
- 14 employees receiving benefits under Chapter 814; and
- 15 (2) [a state employee. The membership must] represent
- 16 employees at different levels of employee classification.
- SECTION 3. Subsection (b), Section 659.143, Government
- 18 Code, is amended to read as follows:
- 19 (b) The presiding officer of a local employee committee
- 20 shall recruit at least five but not more than 10 additional members.
- 21 The members must represent different levels of employee
- 22 classification. One or more members may be retired state employees
- 23 receiving retirement benefits under Chapter 814.
- SECTION 4. Section 811.010, Government Code, as added by
- 25 Chapter 232 (S.B. 1589), Acts of the 81st Legislature, Regular
- 26 Session, 2009, is redesignated as Section 811.012, Government Code,
- 27 and amended to read as follows:

- 1 Sec. 811.012 [811.010]. PROVISION OF CERTAIN INFORMATION
- 2 TO COMPTROLLER. (a) Not later than June 1, 2016, and once every
- 3 <u>five years after that date</u> [of each year], the retirement system
- 4 shall provide to the comptroller, for the purpose of assisting the
- 5 comptroller in the identification of persons entitled to unclaimed
- 6 property reported to the comptroller, the name, address, social
- 7 security number, and date of birth of each member, retiree, and
- 8 beneficiary from the retirement system's records.
- 9 (b) Information provided to the comptroller under this
- 10 section is confidential and may not be disclosed to the public.
- 11 (c) The retirement system shall provide the information in
- 12 the format prescribed by rule of the comptroller.
- SECTION 5. Section 813.404, Government Code, is amended to
- 14 read as follows:
- 15 Sec. 813.404. CONTRIBUTIONS FOR SERVICE NOT PREVIOUSLY
- 16 ESTABLISHED. For each month of membership, military, or equivalent
- 17 membership service not previously credited in the retirement
- 18 system, a member claiming credit in the elected class shall pay a
- 19 contribution in an amount equal to the greater of:
- 20 (1) eight percent of the monthly salary paid to
- 21 members of the legislature at the time the credit is established; or
- 22 (2) the appropriate member contribution provided by
- 23 Section 815.402 for [six percent of the monthly state salary paid
- 24  $\frac{1}{100}$  a person who holds, at the time the credit is established, the
- 25 office for which credit is sought.
- SECTION 6. Subsection (a), Section 813.505, Government
- 27 Code, is amended to read as follows:

- 1 (a) A member claiming credit in the employee class for
- 2 membership service not previously established shall, for each month
- 3 of the service, pay a contribution in an amount equal to the greater
- 4 of:
- 5 (1) the appropriate member contribution provided by
- 6 <u>Section 815.402</u> [six percent of the member's monthly state
- 7 compensation] for the service during the time for which credit is
- 8 sought; or
- 9 (2) \$18.
- SECTION 7. Subsections (a), (c), (d), and (e), Section
- 11 814.007, Government Code, are amended to read as follows:
- 12 (a) Any benefits, funds, or account balances [A benefit]
- 13 payable on the death of a member or annuitant may not be paid to a
- 14 person convicted of or adjudicated as having caused [causing] that
- 15 death but instead  $\underline{\text{are}}$  [ $\underline{\text{is}}$ ] payable as if the convicted person had
- 16 predeceased the decedent.
- 17 (c) The retirement system shall reduce any annuity computed
- 18 in part on the age of the convicted or adjudicated person to a lump
- 19 sum equal to the present value of the remainder of the annuity. The
- 20 reduced amount is payable to a person entitled as provided by this
- 21 section to receive the benefit.
- 22 (d) The retirement system is not required to change the
- 23 recipient of any benefits, funds, or account balances under this
- 24 section unless it receives actual notice of the conviction or
- 25 adjudication of a beneficiary. However, the retirement system may
- 26 delay payment of any benefits, funds, or account balances [a
- 27 benefit] payable on the death of a member or annuitant pending the

- 1 results of a criminal investigation or civil proceeding and other
- 2 [of] legal proceedings relating to the cause of death.
- 3 (e) For the purposes of this section, a person has been
- 4 convicted of or adjudicated as having caused [causing] the death of
- 5 a member or annuitant if the person:
- 6 (1) pleads guilty or nolo contendere to, or is found
- 7 guilty by a court or jury in a criminal proceeding of, causing the
- 8 death of the member or annuitant, regardless of whether sentence is
- 9 imposed or probated, [+] and
- 10 [(2) has] no appeal of the conviction is pending and
- 11 the time provided for appeal has expired; or
- 12 (2) is found liable by a court or jury in a civil
- 13 proceeding for causing the death of the member or annuitant and no
- 14 appeal of the judgment is pending and the time provided for appeal
- 15 has expired.
- SECTION 8. The heading to Section 814.009, Government Code,
- 17 is amended to read as follows:
- 18 Sec. 814.009. DEDUCTION FROM ANNUITY FOR STATE EMPLOYEE
- 19 ORGANIZATION.
- SECTION 9. Subchapter A, Chapter 814, Government Code, is
- 21 amended by adding Sections 814.0095 and 814.0096 to read as
- 22 follows:
- Sec. 814.0095. CHARITABLE DEDUCTION FROM ANNUITY.
- 24 (a) Except as provided by Section 814.0096(c), a person who
- 25 receives an annuity under this subchapter may, on a printed or
- 26 <u>electronic form filed with the retirement system, authorize the</u>
- 27 retirement system to deduct from the person's monthly annuity

- 1 payment the amount of a contribution to the state employee
- 2 charitable campaign in the manner and for the same purposes for
- 3 which a state employee may authorize deductions to that campaign
- 4 under Subchapter I, Chapter 659.
- 5 (b) An authorization under this section must direct the
- 6 board of trustees to deposit the deducted funds with the
- 7 comptroller for distribution as required by Section 659.132(g) in
- 8 the same manner in which a state employee's deduction is
- 9 distributed.
- 10 (c) An authorization under this section remains in effect
- 11 for the period described by Section 659.137 unless the person
- 12 revokes the authorization by giving notice to the board of
- 13 trustees.
- 14 (d) The board of trustees may adopt rules to administer this
- 15 section. Any rules adopted must be consistent with the
- 16 <u>comptroller's rules related to the state employee charitable</u>
- 17 campaign.
- 18 Sec. 814.0096. COORDINATION WITH STATE EMPLOYEE CHARITABLE
- 19 CAMPAIGN POLICY COMMITTEE. (a) The board of trustees and the
- 20 state employee charitable campaign policy committee established
- 21 under Section 659.140 shall coordinate responsibility for the
- 22 administration of charitable deductions from annuity payments to
- 23 the state employee charitable campaign under Section 814.0095.
- 24 (b) The state employee charitable campaign policy committee
- 25 is authorized to approve a budget that includes funding for as many
- 26 of the expenses incurred by the retirement system associated with
- 27 the implementation and administration of annuitants' participation

- 1 in the state employee charitable campaign as is practicable,
- 2 <u>including notification of annuitants.</u>
- 3 (c) Except as provided by this subsection, the board of
- 4 trustees shall charge an administrative fee to cover any costs not
- 5 paid under Subsection (b) in the implementation of Section 814.0095
- 6 to the charitable organizations participating in the state employee
- 7 charitable campaign conducted under that section in the same
- 8 proportion that the contributions to that charitable organization
- 9 bear to the total of contributions in that campaign. The board of
- 10 trustees shall determine the most efficient and effective method of
- 11 collecting the administrative fee and shall adopt rules for the
- 12 <u>implementation of this subsection.</u>
- 13 <u>(d) If necessary, the board of</u> trustees and the state
- 14 employee charitable campaign policy committee may make the annuity
- 15 deduction authorization under Section 814.0095(a) available in
- 16 stages to subgroups of the retirement system's annuity recipients
- 17 <u>as money becomes available to cover the expenses under Subsection</u>
- 18 (b).
- 19 SECTION 10. Subsection (d), Section 814.104, Government
- 20 Code, is amended to read as follows:
- 21 (d) Except as provided by Section 814.102 or by rule adopted
- 22 under Section 813.304(d) or 803.202(a)(2), a member who was not a
- 23 member on the date hired, was hired on or after September 1, 2009,
- 24 and has service credit in the retirement system is eligible to
- 25 retire and receive a service retirement annuity if the member:
- 26 (1) is at least 65 years old and has at least 10 years
- 27 of service credit in the employee class; or

- 1 (2) has at least 10  $[\frac{5}{2}]$  years of service credit in the
- 2 employee class and the sum of the member's age and amount of service
- 3 credit in the employee class, including months of age and credit,
- 4 equals or exceeds the number 80.
- 5 SECTION 11. Subsection (d), Section 814.1075, Government
- 6 Code, is amended to read as follows:
- 7 (d) The standard combined service retirement annuity that
- 8 is payable under this section is based on retirement at either the
- 9 age of 55 or the age at which the sum of the member's age and amount
- 10 of service credit in the employee class equals or exceeds the number
- 11 80. The annuity of a law enforcement or custodial officer who
- 12 retires before reaching the age of 55 under any eligibility
- 13 criteria is actuarially reduced by five percent for each year the
- 14 member retires before the member reaches age 55, with a maximum
- 15 possible reduction of 25 percent. <u>The actuarial reduction</u>
- 16 described by this section is in addition to any other actuarial
- 17 <u>reduction required by law.</u>
- 18 SECTION 12. Section 815.303, Government Code, is amended to
- 19 read as follows:
- Sec. 815.303. SECURITIES LENDING. (a) The retirement
- 21 system may, in the exercise of its constitutional discretion to
- 22 manage the assets of the retirement system, select one or more
- 23 commercial banks, depository trust companies, or other entities to
- 24 serve as custodian or custodians of the system's securities and to
- 25 lend the securities under rules or policies adopted by the board of
- 26 trustees and as required by this section.
- 27 (b) To be eligible to lend securities under this section, a

- 1 bank or brokerage firm must:
- 2 (1) be experienced in the operation of a fully secured
- 3 securities loan program;
- 4 (2) maintain adequate capital in the prudent judgment
- 5 of the retirement system to assure the safety of the securities;
- 6 (3) execute an indemnification agreement satisfactory
- 7 in form and content to the retirement system fully indemnifying the
- 8 retirement system against loss resulting from borrower default in
- 9 its operation of a securities loan program for the system's
- 10 securities; and
- 11 (4) require any securities broker or dealer to whom it
- 12 lends securities belonging to the retirement system to deliver to
- 13 and maintain with the custodian or securities lending agent
- 14 collateral in the form of cash or [United States government]
- 15 securities that are obligations of the United States or agencies or
- 16 <u>instrumentalities of the United States</u> in an amount equal to <u>but</u> not
- 17 less than 100 percent of the market value, from time to time, as
- 18 determined by the retirement system, of the loaned securities.
- 19 SECTION 13. (a) Section 815.317, Government Code, is
- 20 amended by adding Subsection (a-1) to read as follows:
- 21 (a-1) The comptroller shall deposit fees collected under
- 22 Section 133.102(e)(7), Local Government Code, to the credit of the
- 23 law enforcement and custodial officer supplemental retirement
- 24 fund.
- (b) Subsection (e), Section 133.102, Local Government Code,
- 26 is amended to read as follows:
- (e) The comptroller shall allocate the court costs received

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   under this section to the following accounts and funds so that each
 1
 2
    receives to the extent practicable, utilizing historical data as
    applicable, the same amount of money the account or fund would have
 3
 4
    received if the court costs for the accounts and funds had been
    collected and reported separately, except that the account or fund
 5
    may not receive less than the following percentages:
 6
 7
                     abused children's counseling
                                                       0.0088 percent;
                (1)
                     crime stoppers assistance
 8
                (2)
                                                        0.2581 percent;
 9
                (3)
                     breath alcohol testing
                                                        0.5507 percent;
                (4)
                     Bill
                            Blackwood
                                       Law
                                              Enforcement
                                                              Management
10
11
    Institute
                                                         2.1683 percent;
                (5)
                                           officers
                     law
                            enforcement
                                                        standards
12
                                                                     and
13
    education
                                                         5.0034 percent;
                     comprehensive rehabilitation
14
                (6)
                                                        5.3218 percent;
15
                (7)
                     law enforcement and custodial officer
    supplemental retirement
                                fund
                                        [<del>operator's</del>
                                                      and chauffeur's
16
    <del>license</del>]
17
                                                        11.1426 percent;
                (8)
                     criminal justice planning
                                                        12.5537 percent;
18
                     an account in the state treasury to be used only
19
                (9)
    for the establishment and operation of the Center for the Study and
20
    Prevention of Juvenile Crime and Delinquency at Prairie View A&M
21
    University
                                                         1.2090 percent;
22
                      compensation to victims of crime fund
23
                (10)
                                                                 37.6338
24
    percent;
25
                (11)
                      fugitive apprehension account
                                                       12.0904 percent;
                      judicial and court personnel training fund 4.8362
26
                (12)
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27

percent;

- 1 (13) an account in the state treasury to be used for
- 2 the establishment and operation of the Correctional Management
- 3 Institute of Texas and Criminal Justice Center Account 1.2090
- 4 percent; and
- 5 (14) fair defense account 6.0143 percent.
- 6 (c) Notwithstanding any other provision of this Act, this 7 section takes effect September 1, 2013.
- 8 SECTION 14. Section 815.402, Government Code, is amended by
- 9 adding Subsections (a-1) and (h-1) to read as follows:
- 10 (a-1) Notwithstanding Subsection (a)(1), if the state
- 11 contribution to the retirement system is computed using a
- 12 percentage less than 6.5 percent for the state fiscal year
- 13 beginning September 1, 2011, the member's contribution is not
- 14 required to be computed using a percentage equal to the percentage
- 15 used to compute the state contribution for that biennium. This
- 16 <u>subsection expires September 1, 2012.</u>
- 17 (h-1) Notwithstanding Subsection (h), if the state
- 18 contribution to the law enforcement and custodial officer
- 19 supplemental retirement fund is computed using a percentage less
- 20 than 0.5 percent for the state fiscal year beginning September 1,
- 21 2011, the member's contribution is not required to be computed
- 22 using a percentage equal to the percentage used to compute the state
- 23 <u>contribution for that biennium. This subsection expires September</u>
- 24 <u>1, 2012.</u>
- 25 SECTION 15. Subchapter D, Chapter 834, Government Code, is
- 26 amended by adding Section 834.305 to read as follows:
- Sec. 834.305. BENEFICIARY CAUSING DEATH OF MEMBER OR

- 1 ANNUITANT. (a) Any benefits, funds, or account balances payable
- 2 on the death of a member or annuitant may not be paid to a person
- 3 convicted of or adjudicated as having caused that death but instead
- 4 are payable as if the convicted person had predeceased the
- 5 decedent.
- 6 (b) A person who becomes eligible under this section to
- 7 <u>select death or survivor benefits may select benefits as if the</u>
- 8 person were the designated beneficiary.
- 9 (c) The retirement system shall reduce any annuity computed
- 10 in part on the age of the convicted or adjudicated person to a lump
- 11 sum equal to the present value of the remainder of the annuity. The
- 12 reduced amount is payable to a person entitled as provided by this
- 13 section to receive the benefit.
- 14 <u>(d) The retirement system is not required to change the</u>
- 15 recipient of any benefits, funds, or account balances under this
- 16 <u>section unless it receives actual notice of the conviction or</u>
- 17 <u>adjudication of a beneficiary.</u> However, the retirement system may
- 18 delay payment of any benefits, funds, or account balances payable
- 19 on the death of a member or annuitant pending the results of a
- 20 criminal investigation or civil proceeding and other legal
- 21 proceedings relating to the cause of death.
- (e) For the purposes of this section, a person has been
- 23 convicted of or adjudicated as having caused the death of a member
- 24 or annuitant if the person:
- (1) pleads guilty or nolo contendere to, or is found
- 26 guilty by a court or jury in a criminal proceeding of, causing the
- 27 death of the member or annuitant, regardless of whether sentence is

- 1 imposed or probated, and no appeal of the conviction is pending and
- 2 the time provided for appeal has expired; or
- 3 (2) is found liable by a court or jury in a civil
- 4 proceeding for causing the death of the member or annuitant and no
- 5 appeal of the judgment is pending and the time provided for appeal
- 6 has expired.
- 7 SECTION 16. Subchapter D, Chapter 839, Government Code, is
- 8 amended by adding Section 839.306 to read as follows:
- 9 Sec. 839.306. BENEFICIARY CAUSING DEATH OF MEMBER OR
- 10 ANNUITANT. (a) Any benefits, funds, or account balances payable
- 11 on the death of a member or annuitant may not be paid to a person
- 12 convicted of or adjudicated as having caused that death but instead
- 13 are payable as if the convicted person had predeceased the
- 14 decedent.
- 15 (b) A person who becomes eligible under this section to
- 16 select death or survivor benefits may select benefits as if the
- 17 person were the designated beneficiary.
- 18 (c) The retirement system shall reduce any annuity computed
- 19 in part on the age of the convicted or adjudicated person to a lump
- 20 sum equal to the present value of the remainder of the annuity. The
- 21 reduced amount is payable to a person entitled as provided by this
- 22 <u>section to receive the benefit.</u>
- 23 <u>(d) The retirement system is not required to change the</u>
- 24 recipient of any benefits, funds, or account balances under this
- 25 section unless it receives actual notice of the conviction or
- 26 <u>adjudication of a beneficiary.</u> However, the retirement system may
- 27 delay payment of any benefits, funds, or account balances payable

- 1 on the death of a member or annuitant pending the results of a
- 2 criminal investigation or civil proceeding and other legal
- 3 proceedings relating to the cause of death.
- 4 (e) For the purposes of this section, a person has been
- 5 convicted of or adjudicated as having caused the death of a member
- 6 or annuitant if the person:
- 7 (1) pleads guilty or nolo contendere to, or is found
- 8 guilty by a court or jury in a criminal proceeding of, causing the
- 9 death of the member or annuitant, regardless of whether sentence is
- 10 imposed or probated, and no appeal of the conviction is pending and
- 11 the time provided for appeal has expired; or
- 12 (2) is found liable by a court or jury in a civil
- 13 proceeding for causing the death of the member or annuitant and no
- 14 appeal of the judgment is pending and the time provided for appeal
- 15 has expired.
- SECTION 17. Subsection (a), Section 1551.004, Insurance
- 17 Code, is amended to read as follows:
- 18 (a) In this chapter, "dependent" with respect to an
- 19 individual eligible to participate in the group benefits program
- 20 [under Section 1551.101 or 1551.102] means the individual's:
- 21 (1) spouse;
- (2) unmarried child younger than  $26 \ [25]$  years of age;
- 23 (3) child of any age who the board of trustees
- 24 determines lives with or has the child's care provided by the
- 25 individual on a regular basis if:
- 26 (A) the child is mentally [retarded] or
- 27 physically incapacitated to the extent that the child is dependent

- 1 on the individual for care or support, as determined by the board of
- 2 trustees;
- 3 (B) the child's coverage under this chapter has
- 4 not lapsed; and
- 5 (C) the child is at least  $26 \left[\frac{25}{2}\right]$  years old and
- 6 was enrolled as a participant in the health benefits coverage under
- 7 the group benefits program on the date of the child's  $\underline{26th}$  [ $\underline{25th}$ ]
- 8 birthday;
- 9 (4) child of any age who is unmarried, for purposes of
- 10 health benefit coverage under this chapter, on expiration of the
- 11 child's continuation coverage under the Consolidated Omnibus
- 12 Budget Reconciliation Act of 1985 (Pub. L. No. 99-272) and its
- 13 subsequent amendments; and
- 14 (5) ward, as that term is defined by Section 601, Texas
- 15 Probate Code, who is 26 years of age or younger.
- SECTION 18. Subchapter B, Chapter 1551, Insurance Code, is
- 17 amended by adding Section 1551.068 to read as follows:
- 18 <u>Sec. 1551.068. QUALIFICATION OF</u> GROUP BENEFITS PROGRAM.
- 19 Notwithstanding any provision of this chapter or any other law, it
- 20 is intended that the provisions of this chapter be construed and
- 21 administered in a manner that coverages under the group benefits
- 22 program will be considered in compliance with applicable federal
- 23 law. The board of trustees may adopt rules that modify the coverage
- 24 provided under the program by adding, deleting, or changing a
- 25 provision of the program, including rules that modify eligibility
- 26 and enrollment requirements and the benefits available under the
- 27 program.

- 1 SECTION 19. Section 1551.220, Insurance Code, is amended to
- 2 read as follows:
- 3 Sec. 1551.220. BENEFICIARY CAUSING DEATH OF PARTICIPANT OR
- 4 BENEFICIARY OF PARTICIPANT. (a) Any benefits, funds, or account
- 5 balances [A benefit] payable on the death of a participant or the
- 6 beneficiary of a participant in the group benefits program may not
- 7 be paid to a person convicted of  $\underline{\text{or adjudicated as having caused}}$
- 8 [ $\frac{\text{causing}}{\text{causing}}$ ] that death but instead  $\frac{\text{are}}{\text{causing}}$ ] payable as if the
- 9 convicted person had predeceased the decedent.
- 10 (b) The Employees Retirement System of Texas is not required
- 11 to change the recipient of <u>any</u> benefits, funds, or account balances
- 12 under this section unless it receives actual notice of the
- 13 conviction or adjudication of a beneficiary. However, the
- 14 retirement system may delay payment of  $\underline{\text{any benefits, funds, or}}$
- 15 <u>account balances</u> [a benefit] payable on the death of a participant
- 16 or beneficiary of a participant pending the results of a criminal
- 17 investigation or civil proceeding and other [of] legal proceedings
- 18 relating to the cause of death.
- 19 (c) For the purposes of this section, a person has been
- 20 convicted of or adjudicated as having caused [causing] the death of
- 21 a participant or beneficiary of a participant if the person:
- (1) pleads guilty or nolo contendere to, or is found
- 23 guilty by a court or jury in a criminal proceeding of, causing the
- 24 death of the participant or beneficiary of a participant,
- 25 regardless of whether sentence is imposed or probated, [+] and
- 26 [(2) has] no appeal of the conviction is pending and
- 27 the time provided for appeal has expired; or

- 1 (2) is found liable by a court or jury in a civil
- 2 proceeding for causing the death of the member or annuitant and no
- 3 appeal of the judgment is pending and the time provided for appeal
- 4 has expired.
- 5 SECTION 20. Subchapter E, Chapter 1551, Insurance Code, is
- 6 amended by adding Section 1551.226 to read as follows:
- 7 Sec. 1551.226. TOBACCO CESSATION COVERAGE. (a) The board
- 8 of trustees shall develop a plan for providing under any health
- 9 benefit plan provided under the group benefits program tobacco
- 10 cessation coverage for participants.
- 11 (b) The plan developed under Subsection (a) must include
- 12 coverage for prescription drugs that aid participants in ceasing
- 13 the use of tobacco products.
- 14 SECTION 21. Subchapter G, Chapter 1551, Insurance Code, is
- 15 amended by adding Section 1551.3075 to read as follows:
- 16 Sec. 1551.3075. TOBACCO USER PREMIUM DIFFERENTIAL.
- 17 (a) The board of trustees shall assess each participant in a
- 18 health benefit plan provided under the group benefits program who
- 19 <u>uses one or more tobacco products a tobacco user premium</u>
- 20 differential, to be paid in monthly installments. Except as
- 21 provided by Subsection (b), the board of trustees shall determine
- 22 the amount of the monthly installments of the premium differential.
- 23 (b) If the General Appropriations Act for a state fiscal
- 24 biennium sets the amount of the monthly installments of the tobacco
- 25 user premium differential for that biennium, the board of trustees
- 26 shall assess the premium differential during that biennium in the
- 27 amount prescribed by the General Appropriations Act.

- 1 SECTION 22. Subchapter G, Chapter 1551, Insurance Code, is
- 2 amended by adding Section 1551.3076 to read as follows:
- 3 Sec. 1551.3076. EMPLOYER ENROLLMENT FEE. (a) The board of
- 4 trustees shall assess each employer whose employees participate in
- 5 the group benefits program an employer enrollment fee in an amount
- 6 not to exceed a percentage of the employer's total payroll, as
- 7 determined by the General Appropriations Act.
- 8 (b) The board of trustees shall deposit the enrollment fees
- 9 to the credit of the employees life, accident, and health insurance
- 10 and benefits fund to be used for the purposes specified by Section
- 11 1551.401.
- 12 SECTION 23. Section 1551.314, Insurance Code, is amended to
- 13 read as follows:
- 14 Sec. 1551.314. CERTAIN STATE CONTRIBUTIONS PROHIBITED. A
- 15 state contribution may not be:
- 16 <u>(1)</u> made for coverages under this chapter selected by
- 17 an individual who receives a state contribution  $[ \frac{1}{7} ]$  other than as a
- 18 spouse, dependent, or beneficiary, or coverages under a group
- 19 benefits program provided  $\underline{\text{by another state health plan or}}$  by an
- 20 institution of higher education, as defined by Section 61.003,
- 21 Education Code; or
- (2) made for or used to pay a tobacco user premium
- 23 <u>differential assessed under Section 1551.3075</u>.
- SECTION 24. The change in law made by Sections 609.015,
- 25 834.305, and 839.306, Government Code, as added by this Act, and
- 26 Sections 814.007, Government Code, and 1551.220, Insurance Code, as
- 27 amended by this Act, applies only to an offense committed on or

- 1 after the effective date of this Act. An offense committed before
- 2 the effective date of this Act is governed by the law in effect on
- 3 the date the offense was committed, and the former law is continued
- 4 in effect for that purpose. For purposes of this section, an
- 5 offense was committed before the effective date of this Act if any
- 6 element of the offense occurred before that date.
- 7 SECTION 25. (a) The board of trustees of the Employees
- 8 Retirement System of Texas, in cooperation with the comptroller of
- 9 public accounts and the state employee charitable campaign policy
- 10 committee established under Section 659.140, Government Code, as
- 11 amended by this Act, may adopt rules to implement Sections 814.0095
- 12 and 814.0096, Government Code, as added by this Act.
- 13 (b) The board of trustees of the Employees Retirement System
- 14 of Texas by rule shall designate the start date on which annuity
- 15 deductions begin under Sections 814.0095 and 814.0096, Government
- 16 Code, as added by this Act.
- 17 SECTION 26. (a) Subsection (d), Section 814.104,
- 18 Government Code, as amended by this Act, applies only to a member of
- 19 the Employees Retirement System of Texas who retires on or after the
- 20 effective date of this Act.
- 21 (b) A member of the Employees Retirement System of Texas who
- 22 retires before the effective date of this Act is governed by the law
- 23 as it existed immediately before the effective date of this Act, and
- 24 that law is continued in effect for that purpose.
- 25 SECTION 27. The board of trustees of the Employees
- 26 Retirement System of Texas shall develop and fully implement the
- 27 plan for providing tobacco cessation coverage as required by

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- 1 Section 1551.226, Insurance Code, as added by this Act, and
- 2 implement the tobacco user premium differential required under
- 3 Section 1551.3075, Insurance Code, as added by this Act, not later
- 4 than January 1, 2012.
- 5 SECTION 28. To the extent of any conflict, this Act prevails
- 6 over another Act of the 82nd Legislature, Regular Session, 2011,
- 7 relating to nonsubstantive additions to and corrections in enacted
- 8 codes.
- 9 SECTION 29. This Act takes effect September 1, 2011.

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Speaker of the House

I hereby certify that S.B. No. 1664 passed the Senate on
May 4, 2011, by the following vote: Yeas 29, Nays 2;
May 26, 2011, Senate refused to concur in House amendments and
requested appointment of Conference Committee; May 27, 2011, House
granted request of the Senate; May 29, 2011, Senate adopted
Conference Committee Report by the following vote: Yeas 31,
Nays 0.
Secretary of the Senate
I hereby certify that S.B. No. 1664 passed the House, with
amendments, on May 25, 2011, by the following vote: Yeas 145,
Nays 3, one present not voting; May 27, 2011, House granted request
of the Senate for appointment of Conference Committee;
May 29, 2011, House adopted Conference Committee Report by the
following vote: Yeas 128, Nays 17, two present not voting.
Chief Clerk of the House
Chief Clerk of the house
Approved:

President of the Senate

Date

Governor