

A BILL TO BE ENTITLED

AN ACT

relating to the Teacher Retirement System of Texas.

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

SECTION 1. Subsection (i), Section 411.081, Government Code, as amended by Chapters 183 (H.B. 1830), 780 (S.B. 1056), 816 (S.B. 1599), and 1027 (H.B. 4343), Acts of the 81st Legislature, Regular Session, 2009, is reenacted and amended to read as follows:

(i) A criminal justice agency may disclose criminal history record information that is the subject of an order of nondisclosure under Subsection (d) to the following noncriminal justice agencies or entities only:

(1) the State Board for Educator Certification;

(2) a school district, charter school, private school, regional education service center, commercial transportation company, or education shared service arrangement;

(3) the Texas Medical Board;

(4) the Texas School for the Blind and Visually Impaired;

(5) the Board of Law Examiners;

(6) the State Bar of Texas;

(7) a district court regarding a petition for name change under Subchapter B, Chapter 45, Family Code;

(8) the Texas School for the Deaf;

(9) the Department of Family and Protective Services;

- 1 (10) the Texas Youth Commission;
- 2 (11) the Department of Assistive and Rehabilitative
3 Services;
- 4 (12) the Department of State Health Services, a local
5 mental health service, a local mental retardation authority, or a
6 community center providing services to persons with mental illness
7 or retardation;
- 8 (13) the Texas Private Security Board;
- 9 (14) a municipal or volunteer fire department;
- 10 (15) the Texas Board of Nursing;
- 11 (16) a safe house providing shelter to children in
12 harmful situations;
- 13 (17) a public or nonprofit hospital or hospital
14 district;
- 15 (18) the Texas Juvenile Probation Commission;
- 16 (19) the securities commissioner, the banking
17 commissioner, the savings and mortgage lending commissioner, or the
18 credit union commissioner;
- 19 (20) the Texas State Board of Public Accountancy;
- 20 (21) the Texas Department of Licensing and Regulation;
- 21 (22) the Health and Human Services Commission;
- 22 (23) the Department of Aging and Disability Services;
- 23 (24) the Texas Education Agency; [~~and~~]
- 24 (25) the Guardianship Certification Board; [~~and~~]
- 25 (26) a county clerk's office in relation to a
26 proceeding for the appointment of a guardian under Chapter XIII,
27 Texas Probate Code;

1 (27) [~~(25)~~] the Department of Information Resources
2 but only regarding an employee, applicant for employment,
3 contractor, subcontractor, intern, or volunteer who provides
4 network security services under Chapter 2059 to:

5 (A) the Department of Information Resources; or

6 (B) a contractor or subcontractor of the
7 Department of Information Resources;

8 (28) [~~(25)~~] the Court Reporters Certification Board;
9 [~~and~~]

10 (29) [~~(25)~~] the Texas Department of Insurance; and

11 (30) the Teacher Retirement System of Texas.

12 SECTION 2. Subchapter F, Chapter 411, Government Code, is
13 amended by adding Section 411.0971 to read as follows:

14 Sec. 411.0971. ACCESS TO CRIMINAL HISTORY RECORD
15 INFORMATION: TEACHER RETIREMENT SYSTEM OF TEXAS. (a) The Teacher
16 Retirement System of Texas is entitled to obtain from the
17 department, the Federal Bureau of Investigation Criminal Justice
18 Information Services Division, or another law enforcement agency
19 criminal history record information maintained by the department,
20 division, or agency that relates to a person who:

21 (1) is an employee or an applicant for employment with
22 the retirement system;

23 (2) is a consultant, contract employee, independent
24 contractor, intern, or volunteer for the retirement system or an
25 applicant to serve in one of those positions;

26 (3) proposes to enter into a contract with or has a
27 contract with the retirement system to perform services for or

1 supply goods to the retirement system; or

2 (4) is an employee or subcontractor, or an applicant
3 to be an employee or subcontractor, of a contractor that provides
4 services to the retirement system.

5 (b) Criminal history record information obtained by the
6 Teacher Retirement System of Texas under Subsection (a) may not be
7 released or disclosed to any person except:

8 (1) on court order;

9 (2) with the consent of the person who is the subject
10 of the criminal history record information; or

11 (3) to a federal agency as required by federal law or
12 executive order.

13 (c) The Teacher Retirement System of Texas shall destroy
14 criminal history record information obtained under this section
15 after the information is used for the purposes authorized by this
16 section.

17 (d) The Teacher Retirement System of Texas may provide a
18 copy of the criminal history record information obtained from the
19 department, the Federal Bureau of Investigation Criminal Justice
20 Information Services Division, or other law enforcement agency to
21 the individual who is the subject of the information.

22 (e) The failure or refusal of an employee or applicant to
23 provide the following on request constitutes good cause for
24 dismissal or refusal to hire:

25 (1) a complete set of fingerprints;

26 (2) a true and complete name; or

27 (3) other information necessary for a law enforcement

1 entity to obtain criminal history record information.

2 SECTION 3. Subchapter F, Chapter 551, Government Code, is
3 amended by adding Section 551.130 to read as follows:

4 Sec. 551.130. BOARD OF TRUSTEES OF TEACHER RETIREMENT
5 SYSTEM OF TEXAS: QUORUM PRESENT AT ONE LOCATION. (a) In this
6 section, "board" means the board of trustees of the Teacher
7 Retirement System of Texas.

8 (b) This chapter does not prohibit the board or a board
9 committee from holding an open or closed meeting by telephone
10 conference call.

11 (c) The board or a board committee may hold a meeting by
12 telephone conference call only if a quorum of the applicable board
13 or board committee is physically present at one location of the
14 meeting.

15 (d) A telephone conference call meeting is subject to the
16 notice requirements applicable to other meetings. The notice must
17 also specify:

18 (1) the location of the meeting where a quorum of the
19 board or board committee, as applicable, will be physically
20 present; and

21 (2) the intent to have a quorum present at that
22 location.

23 (e) The location where a quorum is physically present must
24 be open to the public during the open portions of a telephone
25 conference call meeting. The open portions of the meeting must be
26 audible to the public at the location where the quorum is present
27 and be tape-recorded at that location. The tape recording shall be

1 made available to the public.

2 (f) The location of the meeting shall provide two-way
3 communication during the entire telephone conference call meeting,
4 and the identification of each party to the telephone conference
5 call must be clearly stated before the party speaks.

6 (g) The authority provided by this section is in addition to
7 the authority provided by Section 551.125.

8 (h) A member of the board who participates in a board or
9 board committee meeting by telephone conference call but is not
10 physically present at the location of the meeting is not considered
11 to be absent from the meeting for any purpose. The vote of a member
12 of the board who participates in a board or board committee meeting
13 by telephone conference call is counted for the purpose of
14 determining the number of votes cast on a motion or other
15 proposition before the board or board committee.

16 (i) A member of the board may participate remotely by
17 telephone conference call instead of by being physically present at
18 the location of a board meeting for not more than one board meeting
19 per calendar year. A board member who participates remotely in any
20 portion of a board meeting by telephone conference call is
21 considered to have participated in the entire board meeting by
22 telephone conference call. For purposes of the limit provided by
23 this subsection, remote participation by telephone conference call
24 in a meeting of a board committee does not count as remote
25 participation by telephone conference call in a meeting of the
26 board, even if:

27 (1) a quorum of the full board attends the board

1 committee meeting; or

2 (2) notice of the board committee meeting is also
3 posted as notice of a board meeting.

4 (j) A person who is not a member of the board may not speak
5 at the meeting from a remote location by telephone conference call,
6 except as provided by Section 551.129.

7 SECTION 4. Subchapter C, Chapter 552, Government Code, is
8 amended by adding Section 552.153 to read as follows:

9 Sec. 552.153. EXCEPTION: NAME OF APPLICANT FOR EXECUTIVE
10 DIRECTOR, CHIEF INVESTMENT OFFICER, OR CHIEF AUDIT EXECUTIVE OF
11 TEACHER RETIREMENT SYSTEM OF TEXAS. The name of an applicant for
12 the position of executive director, chief investment officer, or
13 chief audit executive of the Teacher Retirement System of Texas is
14 excepted from the requirements of Section 552.021, except that the
15 board of trustees of the Teacher Retirement System of Texas must
16 give public notice of the names of three finalists being considered
17 for one of those positions at least 21 days before the date of the
18 meeting at which the final action or vote is to be taken on choosing
19 a finalist for employment.

20 SECTION 5. Section 804.003, Government Code, is amended by
21 amending Subsections (f) and (g) and adding Subsection (p) to read
22 as follows:

23 (f) A domestic relations order is a qualified domestic
24 relations order only if such order:

25 (1) clearly specifies the:

26 (A) name [~~social security number~~] and last
27 known mailing address [~~if any~~] of:

- 1 (i) the member or retiree; and
- 2 (ii) [~~the name, social security number, and~~
- 3 ~~mailing address of~~] each alternate payee covered by the order; and
- 4 (B) social security number, or an express
- 5 authorization for the parties to use an alternate method acceptable
- 6 to the public retirement system to verify the social security
- 7 number, of the member or retiree and each alternate payee covered by
- 8 the order;
- 9 (2) clearly specifies the amount or percentage of the
- 10 member's or retiree's benefits to be paid by a public retirement
- 11 system to each such alternate payee or the manner in which such
- 12 amount or percentage is to be determined;
- 13 (3) clearly specifies the number of payments or the
- 14 period to which such order applies;
- 15 (4) clearly specifies that such order applies to a
- 16 designated public retirement system;
- 17 (5) does not require the public retirement system to
- 18 provide any type or form of benefit or any option not otherwise
- 19 provided under the plan;
- 20 (6) does not require the public retirement system to
- 21 provide increased benefits determined on the basis of actuarial
- 22 value;
- 23 (7) does not require the payment of benefits to an
- 24 alternate payee which are required to be paid to another alternate
- 25 payee under another order previously determined to be a qualified
- 26 domestic relations order; and
- 27 (8) does not require the payment of benefits to an

1 alternate payee before the retirement of a member, the distribution
2 of a withdrawal of contributions to a member, or other distribution
3 to a member required by law.

4 (g) A public retirement system may reject a domestic
5 relations order as a qualified domestic relations order unless the
6 order:

7 (1) provides for a proportional reduction of the
8 amount awarded to an alternate payee in the event of the retirement
9 of the member before normal retirement age;

10 (2) does not purport to require the designation of a
11 particular person as the recipient of benefits in the event of a
12 member's or annuitant's death;

13 (3) does not purport to require the selection of a
14 particular benefit payment plan or option;

15 (4) provides clearly for each possible benefit
16 distribution under plan provisions;

17 (5) does not require any action on the part of the
18 retirement system contrary to its governing statutes or plan
19 provision other than the direct payment of the benefit awarded to an
20 alternate payee;

21 (6) does not make the award of an interest contingent
22 on any condition other than those conditions resulting in the
23 liability of a retirement system for payments under its plan
24 provisions;

25 (7) does not purport to award any future benefit
26 increases that are provided or required by the legislature; ~~and~~

27 (8) provides for a proportional reduction of the

1 amount awarded to an alternate payee in the event that benefits
2 available to the retiree or member are reduced by law; and

3 (9) if required by the retirement system, conforms to
4 a model order adopted by the retirement system.

5 (p) A public retirement system may assess administrative
6 fees on a party who is subject to a domestic relations order for the
7 review of the order under this subchapter and, as applicable, for
8 the administration of payments under an order that is determined to
9 be qualified. In addition to other methods of collecting fees that
10 a retirement system may establish, the retirement system may deduct
11 fees from payments made under the order.

12 SECTION 6. Subdivision (15), Section 821.001, Government
13 Code, is amended to read as follows:

14 (15) "School year" means[+
15 [~~(A)~~] a 12-month period beginning [~~approximately~~]
16 September 1 and ending [~~approximately~~] August 31 of the next
17 calendar year[~~, or~~

18 [~~(B) for a member whose contract or oral or~~
19 ~~written work agreement begins after June 30 and continues after~~
20 ~~August 31 of the same calendar year, a period not to include more~~
21 ~~than 12 months beginning on the date the contract or agreement~~
22 ~~begins].~~

23 SECTION 7. Section 821.008, Government Code, is amended to
24 read as follows:

25 Sec. 821.008. PURPOSE OF RETIREMENT SYSTEM. (a) The
26 purpose of the retirement system is to invest and protect funds of
27 the retirement system and to deliver the benefits provided by

1 statute, not to advocate or influence legislative action or
2 inaction or to advocate higher benefits.

3 (b) This section does not prohibit comments by an employee
4 of the retirement system on federal laws, regulations, or other
5 official actions or proposed actions affecting or potentially
6 affecting the retirement system that are made in accordance with
7 policies adopted by the board.

8 SECTION 8. Section 823.002, Government Code, is amended by
9 adding Subsection (b) to read as follows:

10 (b) A member shall notify the retirement system in writing
11 of membership service that has not been properly credited by the
12 retirement system on an annual statement. The member must provide
13 verification and make deposits as required by the retirement system
14 before the service may be credited. A member must notify the
15 retirement system of the service in writing on or before the last
16 day of the fifth school year after the end of the school year in
17 which the service was rendered for the service to be credited.

18 SECTION 9. The heading to Section 823.304, Government Code,
19 is amended to read as follows:

20 Sec. 823.304. USERRA [~~REEMPLOYED VETERAN'S~~] CREDIT.

21 SECTION 10. Subsections (a), (c), and (d), Section 823.304,
22 Government Code, are amended to read as follows:

23 (a) A person eligible to establish USERRA [~~reemployed~~
24 ~~veteran's~~] credit is one who qualifies under the Uniformed Services
25 Employment and [Veteran's] Reemployment Rights Act of 1994, 38
26 U.S.C. Section 4301 [~~2021~~] et seq., for the benefits of
27 reemployment in a position included within the membership of the

1 retirement system and who is entitled under that Act to additional
2 credit and benefits from the retirement system because of the
3 person's active duty in the armed forces of the United States.

4 (c) A person may establish credit under this section by
5 depositing with the retirement system for each year of service
6 claimed an amount equal to[+]

7 [~~(1)~~] the member contributions to the retirement
8 system, as determined by the retirement system, that the person
9 would have made had the person continued to be employed in the
10 person's former position covered by the retirement system during
11 the entire period of active duty in the armed forces for which the
12 person is to receive retirement credit[+, and

13 [~~(2) a fee of five percent, compounded annually, of~~
14 ~~the required contribution from the date of the person's first~~
15 ~~eligibility to establish the credit to the date of deposit].~~

16 (d) To the extent required by the Uniformed Services
17 Employment and [Veteran's] Reemployment Rights Act of 1994 and
18 permitted by Sections 401(a) and 415 of the Internal Revenue Code of
19 1986 (26 U.S.C. Sections 401 and 415), the retirement system may:

20 (1) grant the person service credit for the period of
21 active duty in the armed forces as if the person had been employed
22 in a position eligible for membership and credit with the
23 retirement system if the person establishes credit by making the
24 required deposits, or, if the person has not made the required
25 deposits, consider the period of active duty for the purpose of
26 determining whether the person meets the length-of-service
27 eligibility requirements for retirement or other benefits

1 administered by the retirement system as if the person had
2 established the credit; and

3 (2) include in relevant benefit computations under
4 this subtitle the annual compensation, as determined by the
5 retirement system, that would have been otherwise received by the
6 person for service covered by the retirement system during any year
7 in which the person had active duty in the armed forces.

8 SECTION 11. Subsection (c), Section 823.401, Government
9 Code, is amended to read as follows:

10 (c) A member eligible to establish credit under this section
11 is one who has at least five years of service credit in the
12 retirement system for actual service in public schools, including
13 at least one year completed after the relevant out-of-state
14 service.

15 SECTION 12. Subsections (c), (d), and (e), Section 823.402,
16 Government Code, are amended to read as follows:

17 (c) A member eligible to establish credit under this section
18 is one who:

19 (1) has at least five years of service credited
20 ~~[credit]~~ in the retirement system before the developmental leave
21 occurs; ~~[and]~~

22 (2) has, ~~[is an employee of a public school]~~ at the
23 time the required deposits for the credit are paid, at least one
24 year of membership service credit in the retirement system
25 following the developmental leave; and

26 (3) has at least five years of service credited in the
27 retirement system at the time the required deposits for the credit

1 are paid [~~is sought~~].

2 (d) On or before the date a member takes developmental
3 leave, the member must [~~shall~~] file with the retirement system a
4 notice of intent to take developmental leave, and the member's
5 employer must [~~shall~~] file with the retirement system a
6 certification that the leave meets the requirements of Subsection
7 (b). The notice of intent and the certification must be in the form
8 required by the retirement system. Leave is not creditable in the
9 retirement system if the member does not submit notice of intent and
10 obtain the certification required by this subsection.

11 (e) A member may establish credit under this section by
12 depositing with the retirement system for each year of
13 developmental leave certified the actuarial present value, at the
14 time of deposit, of the additional standard retirement annuity
15 benefits that would be attributable to the purchase of the service
16 credit under this section, based on rates and tables recommended by
17 the retirement system's actuary and adopted by the board of
18 trustees [~~claimed an amount equal to the sum of:~~

19 [~~(1) the rate of member contributions required during~~
20 ~~the year of leave, times the member's annual rate of compensation~~
21 ~~during the member's most recent year of creditable service that~~
22 ~~preceded the year of leave, plus~~

23 [~~(2) the amount that the state would have contributed~~
24 ~~had the member performed membership service during the year of~~
25 ~~leave at the member's annual rate of compensation during the most~~
26 ~~recent year of service that preceded the leave].~~

27 SECTION 13. Subsection (c), Section 823.501, Government

1 Code, is amended to read as follows:

2 (c) A member may reinstate canceled credit under this
3 section by depositing with the retirement system:

4 (1) the amount withdrawn or refunded; plus

5 (2) a reinstatement fee of eight [~~six~~] percent,
6 compounded annually, of the amount withdrawn or refunded from the
7 date of withdrawal or refund to the date of redeposit.

8 SECTION 14. Subchapter A, Chapter 824, Government Code, is
9 amended by adding Section 824.008 to read as follows:

10 Sec. 824.008. DEDUCTIONS FROM AMOUNTS PAYABLE BY THE
11 RETIREMENT SYSTEM. (a) Notwithstanding Section 821.005, the
12 retirement system may deduct the amount of a person's indebtedness
13 to the retirement system from an amount payable by the retirement
14 system to the person or the person's estate and the distributees of
15 the estate.

16 (b) If the retirement system makes a payment to a
17 participant who is deceased and the payment is not payable, the
18 retirement system may deduct the amount of the payment from any
19 amount payable by the retirement system to a person who received the
20 payment or to that person's estate and distributees of the estate.

21 SECTION 15. Section 824.1013, Government Code, is amended
22 by adding Subsection (c-1) to read as follows:

23 (c-1) Notwithstanding Subsection (c), a beneficiary
24 designated under this section is entitled on the retiree's death to
25 receive monthly payments of the survivor's portion of the retiree's
26 optional retirement annuity for the remainder of the beneficiary's
27 life if the beneficiary designated at the time of the retiree's

1 retirement is a trust and the beneficiary designated under this
2 section is the sole beneficiary of that trust.

3 SECTION 16. Subsection (a), Section 824.103, Government
4 Code, is amended to read as follows:

5 (a) Benefits payable on the death of a member or annuitant,
6 except an optional retirement annuity under Section 824.204(c)(1),
7 (c)(2), or (c)(5), are payable, and rights to elect survivor
8 benefits, if applicable, are available, to one of the classes of
9 persons described in Subsection (b), if:

10 (1) the member or annuitant fails to designate a
11 beneficiary before death;

12 (2) a designated beneficiary does not survive the
13 member or annuitant; ~~[or]~~

14 (3) a designated beneficiary, under Section 824.004,
15 waives claims to benefits payable on the death of the member or
16 annuitant;

17 (4) a beneficiary designation is revoked under Section
18 824.101(g); or

19 (5) a person is not eligible to receive a benefit under
20 Section 824.105.

21 SECTION 17. Section 824.105, Government Code, is amended by
22 amending Subsections (a), (c), and (d) and adding Subsection (f) to
23 read as follows:

24 (a) A benefit payable on the death of a member or annuitant
25 may not be paid to a person who has been convicted of causing that
26 death or who is otherwise ineligible under Subsection (f) but
27 instead is payable to a person who would be entitled to the benefit

1 had the convicted or otherwise ineligible person predeceased the
2 decedent.

3 (c) The retirement system shall reduce any annuity computed
4 in part on the age of the convicted or otherwise ineligible person
5 to a lump sum equal to the present value of the remainder of the
6 annuity. The reduced amount is payable to a person entitled as
7 provided by this section to receive the benefit.

8 (d) The retirement system is not required to pay benefits
9 under this section unless it receives actual notice of the
10 conviction or other ground of ineligibility of a beneficiary.
11 However, the retirement system may delay payment of a benefit
12 payable on the death of a member or annuitant pending the results of
13 a criminal investigation and of legal proceedings relating to the
14 cause of death.

15 (f) A person is ineligible to receive a benefit payable on
16 the death of a member or annuitant if the person is:

17 (1) found not guilty by reason of insanity under
18 Chapter 46C, Code of Criminal Procedure, of causing the death of the
19 member or annuitant; or

20 (2) the subject of an indictment, information,
21 complaint, or other charging instrument alleging that the person
22 caused the death of the member or annuitant and the person is
23 determined to be incompetent to stand trial under Chapter 46B, Code
24 of Criminal Procedure.

25 SECTION 18. Subsections (a-1) and (b-1), Section 824.202,
26 Government Code, are amended to read as follows:

27 (a-1) This subsection applies only to a person who becomes a

1 member of the retirement system on or after September 1, 2007
2 [~~2006~~]. A member subject to this subsection is eligible to retire
3 and receive a standard service retirement annuity if:

4 (1) the member is at least 65 years old and has at
5 least five years of service credit in the retirement system; or

6 (2) the member is at least 60 years old and has at
7 least five years of service credit in the retirement system and the
8 sum of the member's age and amount of service credit in the
9 retirement system equals the number 80.

10 (b-1) This subsection applies only to a person who becomes a
11 member of the retirement system on or after September 1, 2007
12 [~~2006~~]. If a member subject to this subsection is at least 55 years
13 old and has at least five years of service credit in the retirement
14 system, but does not meet the requirements under Subsection (d-1),
15 the member is eligible to retire and receive a service retirement
16 annuity reduced from the standard service retirement annuity
17 available under Subsection (a-1)(1), to a percentage derived from
18 the following table:

19 Age at date of	55	56	57	58	59	60	61	62	63	64	65
20 retirement											
21 Percentage of	47%	51%	55%	59%	63%	67%	73%	80%	87%	93%	100%
22 standard annuity											
23 receivable											

24 SECTION 19. Section 824.405, Government Code, is amended to
25 read as follows:

26 Sec. 824.405. TABLES FOR DETERMINATION OF DEATH BENEFIT
27 ANNUITY. For the purpose of computing a death benefit annuity under

1 Section 824.402(a)(4) or Section 824.403, the board of trustees
2 shall extend the tables[+]

3 [~~(1)~~] in Section 824.202 [~~824.202(b) or (b-1)~~, as
4 ~~applicable,~~] to ages earlier than indicated in the tables [~~55~~
5 ~~years~~] by actuarially reducing the benefit available under the
6 applicable table [~~at the age of 55 years~~] to the actuarial
7 equivalent at the attained age of the member [~~beneficiary, and~~

8 [~~(2) in Section 824.202(b) or (d-1)~~, as applicable, to
9 ~~ages earlier than the earliest retirement age by actuarially~~
10 ~~reducing the benefit available at the earliest retirement age to~~
11 ~~the actuarial equivalent at the attained age of the beneficiary].~~

12 SECTION 20. Section 824.601, Government Code, is amended by
13 amending Subsection (b) and adding Subsection (b-1) to read as
14 follows:

15 (b) Except as provided by Subsection (b-1) or Section
16 824.602, a retiree is not entitled to service or disability
17 retirement benefit payments, as applicable, for any month in which
18 the retiree is employed in any position by a Texas public
19 educational institution.

20 (b-1) Subsection (b) does not apply to a retiree under
21 Section 824.202 whose effective date of retirement is on or before
22 January 1, 2011.

23 SECTION 21. Subsection (a), Section 824.602, Government
24 Code, as amended by Chapters 674 (S.B. 132) and 1359 (S.B. 1691),
25 Acts of the 79th Legislature, Regular Session, 2005, is reenacted
26 and amended to read as follows:

27 (a) Subject to Section 825.506, the retirement system may

1 not, under Section 824.601, withhold a monthly benefit payment if
2 the retiree is employed in a Texas public educational institution:

3 (1) as a substitute only with pay not more than the
4 daily rate of substitute pay established by the employer and, if the
5 retiree is a disability retiree, the employment has not exceeded a
6 total of 90 days in the school year;

7 (2) in a position, other than as a substitute, on no
8 more than a one-half time basis for the month;

9 (3) in one or more positions on as much as a full-time
10 basis, if the retiree has been separated from service with all Texas
11 public educational institutions for at least 12 full consecutive
12 months [~~work occurs in not more than six months of a school year~~
13 ~~that begins~~] after the retiree's effective date of retirement; or

14 (4) in a position, other than as a substitute, on no
15 more than a one-half time basis for no more than 90 days in the
16 school year, if the retiree is a disability retiree[+

17 [~~(5) in a position as a classroom teacher on as much as~~
18 ~~a full-time basis, if the retiree has retired under Section~~
19 ~~824.202(a) or (a-1), is certified under Subchapter B, Chapter 21,~~
20 ~~Education Code, to teach the subjects assigned, is teaching in an~~
21 ~~acute shortage area as determined by the board of trustees of a~~
22 ~~school district as provided by Subsection (m), and has been~~
23 ~~separated from service with all public schools for at least 12~~
24 ~~months,~~

25 [~~(6) in a position as a principal, including as an~~
26 ~~assistant principal, on as much as a full-time basis, if the retiree~~
27 ~~has retired under Section 824.202(a) or (a-1) without reduction for~~

1 ~~retirement at an early age, is certified under Subchapter B,~~
2 ~~Chapter 21, Education Code, to serve as a principal, and has been~~
3 ~~separated from service with all public schools for at least 12~~
4 ~~months,~~

5 ~~[(7) as a bus driver for a school district on as much~~
6 ~~as a full-time basis, if the retiree has retired under Section~~
7 ~~824.202(a) or (a-1), and the retiree's primary employment is as a~~
8 ~~bus driver; or~~

9 ~~[(8) as a faculty member, during the period beginning~~
10 ~~with the 2005 fall semester and ending on the last day of the 2015~~
11 ~~spring semester, in an undergraduate professional nursing program~~
12 ~~or graduate professional nursing program, as defined by Section~~
13 ~~54.221, Education Code, and if the retiree has been separated from~~
14 ~~service with all public schools for at least 12 months].~~

15 SECTION 22. Subsection (g), Section 824.602, Government
16 Code, is amended to read as follows:

17 (g) The exceptions provided by Subsections (a)(2) and
18 (a)(3) do not apply to disability retirees. The retirement system
19 nevertheless may not withhold a monthly benefit payment under
20 Section 824.601 if:

21 (1) a disability retiree is employed in a Texas public
22 educational institution in a position, other than as a substitute,
23 for a period not to exceed three consecutive months [~~of the school~~
24 ~~year~~];

25 (2) the work occurs in a period, designated by the
26 disability retiree, of no more than three consecutive months [~~of a~~
27 ~~school year~~];

1 (3) the disability retiree executes on a form and at a
2 time prescribed by the retirement system a written election to have
3 this exception apply on a one-time trial basis in determining
4 whether benefits are to be suspended for the months of employment
5 after retirement and in determining whether a disability retiree is
6 no longer mentally or physically incapacitated for the performance
7 of duty; and

8 (4) the disability retiree has not previously elected
9 to avoid loss of monthly benefits [~~in a school year~~] under this
10 subsection.

11 SECTION 23. Section 824.603, Government Code, is amended to
12 read as follows:

13 Sec. 824.603. EXCLUSION FROM CREDIT. Employment of a
14 retiree described by Section 824.601(b-1) or 824.602(a) does not
15 entitle the [~~a~~] retiree to additional service credit, and the
16 retiree so employed is not required to make contributions to the
17 system from compensation for that employment.

18 SECTION 24. Section 825.002, Government Code, is amended by
19 amending Subsections (f) and (g) and adding Subsection (h) to read
20 as follows:

21 (f) Persons considered for nomination under Subsection (c),
22 (d), or (e) must have been nominated [~~by written ballot~~] at an
23 election conducted under rules adopted by the board of trustees.

24 (g) To provide for the nomination of persons for appointment
25 under Subsection (d), the board shall send to each retiree of the
26 retirement system:

27 (1) notice of the deadline for filing as a candidate

1 for nomination;

2 (2) information on procedures to follow in filing as a
3 candidate; and

4 (3) instructions on how to request a paper ballot or
5 vote in another manner established by the board, including by
6 telephone or other electronic means [~~a written ballot~~].

7 (h) If only two persons are nominated under Subsection (c),
8 (d), or (e), the governor shall appoint a member of the board to the
9 applicable trustee position from the slate of two nominated
10 persons. If only one person is nominated under Subsection (c), (d),
11 or (e), the governor shall appoint that person to the applicable
12 trustee position. If no member or retiree is nominated for a
13 position under Subsection (c), (d), or (e), the governor shall
14 appoint to the applicable trustee position a person who otherwise
15 meets the qualifications required for the position.

16 SECTION 25. Subsection (c), Section 825.206, Government
17 Code, is amended to read as follows:

18 (c) The board of trustees annually shall evaluate the
19 performance of the actuary during the previous year. At least once
20 every four [~~three~~] years, the board shall redesignate its actuary
21 after advertising for and reviewing proposals from providers of
22 actuarial services.

23 SECTION 26. Section 825.215, Government Code, is amended to
24 read as follows:

25 Sec. 825.215. ADVOCACY PROHIBITED. (a) An employee of the
26 retirement system may not advocate increased benefits or engage in
27 activities to advocate or influence legislative action or inaction.

1 Advocacy or activity of this nature is grounds for dismissal of an
2 employee.

3 (b) This section does not prohibit comments by an employee
4 of the retirement system on federal laws, regulations, or other
5 official actions or proposed actions affecting or potentially
6 affecting the retirement system that are made in accordance with
7 policies adopted by the board.

8 SECTION 27. Section 825.315, Government Code, is amended to
9 read as follows:

10 Sec. 825.315. PROHIBITED USE OF ASSETS. (a) Assets of the
11 retirement system may not be used to advocate or influence the
12 outcome of an election or the passage or defeat of any legislative
13 measure. This prohibition may not be construed to prevent any
14 trustee or employee from furnishing information in the hands of the
15 trustee or employee that is not considered confidential under law
16 to a member or committee of the legislature, to any other state
17 officer or employee, or to any private citizen, at the request of
18 the person or entity to whom the information is furnished. This
19 prohibition does not apply to the incidental use of retirement
20 system facilities by groups of members or retirees or by officers or
21 employees of state agencies.

22 (b) This section does not prohibit the use of system assets
23 by an employee of the retirement system to comment on federal laws,
24 regulations, or other official actions or proposed actions
25 affecting or potentially affecting the retirement system that are
26 made in accordance with policies adopted by the board.

27 SECTION 28. Subsections (h) and (j), Section 825.403,

1 Government Code, are amended to read as follows:

2 (h) If deductions were previously required but not paid, the
3 retirement system may not provide benefits based on the service or
4 compensation unless the deposits required by this section have been
5 fully paid. The person's employer at the time the unreported
6 service was rendered or compensation was paid must verify the
7 service or compensation as required by Subsection (j) and the
8 person must submit the verification to the retirement system not
9 later than five years after ~~[member shall pay the amount of those~~
10 ~~deductions plus a fee computed at a rate of five percent a year on~~
11 ~~the unpaid amount from]~~ the end of the school year in which the
12 service was rendered or compensation was paid. To establish the
13 service or compensation credit, the person must deposit with the
14 retirement system the actuarial present value, at the time of
15 deposit, of the additional standard retirement annuity benefits
16 that would be attributable to the purchase of service or
17 compensation credit under this section, based on rates and tables
18 recommended by the retirement system's actuary and adopted by the
19 board of trustees ~~[deductions first became due or the end of the~~
20 ~~1974-75 school year, whichever is later, to the date of payment].~~

21 The board of trustees shall:

22 (1) prescribe terms for payments under this
23 subsection; and

24 (2) credit the person ~~[member]~~ for prior service to
25 which the person ~~[member]~~ is entitled under this subtitle~~[, and~~

26 ~~[(3) deposit the fee required by this subsection in~~
27 ~~the state contribution account].~~

1 (j) If deductions were previously required [~~of a member~~] but
2 not paid, proof of service satisfactory to the retirement system
3 must be made before service credit is granted or payment for the
4 credit is required. Proof of service is sufficient if the person's
5 [~~member's~~] employer documents that the employer has records made at
6 or near the time of service that establish the amount of time worked
7 and salary earned. [~~A member may submit in lieu of employer~~
8 ~~documentation internal revenue, social security, bank, or other~~
9 ~~written records that were made at or near the time of service and~~
10 ~~that establish the amount of time worked and salary earned.~~] An
11 affidavit based on memory without written records made at or near
12 the time of service is not sufficient documentation for the
13 establishment of service credit. The retirement system may audit
14 records used for documentation under this subsection. A person who
15 does not obtain proof of service as required by this section may not
16 establish the service or compensation credit.

17 SECTION 29. Section 825.408, Government Code, is amended to
18 read as follows:

19 Sec. 825.408. INTEREST ON CONTRIBUTIONS AND FEES; DEPOSITS
20 IN TRUST. (a) An employer [~~employing district~~] that fails to
21 remit, before the seventh day after the last day of a month, all
22 member and employer deposits and documentation of the deposits
23 required by this subchapter to be remitted by the employer
24 [~~district~~] for the month shall pay to the retirement system, in
25 addition to the deposits, interest on the unpaid or undocumented
26 amounts at an annual rate compounded monthly. The rate of interest
27 is the rate established under Section 825.313(b)(1), plus two

1 percent. Interest required under this section is creditable to the
2 interest account. On request, the retirement system may grant a
3 waiver of the deadline imposed by this subsection based on an
4 employer's [~~a district's~~] financial or technological resources.

5 (b) An employer [~~employing district~~] and its trustees or
6 other governing body hold amounts due to the retirement system
7 under this subtitle in trust for the retirement system and its
8 members and may not divert the amounts to any other purpose.

9 SECTION 30. Subsection (b), Section 825.507, Government
10 Code, is amended to read as follows:

11 (b) The retirement system may release records of a
12 participant, including a participant to which Chapter 803 applies,
13 to:

14 (1) the participant or the participant's attorney or
15 guardian or another person who the executive director determines is
16 acting on behalf of the participant;

17 (2) the executor or administrator of the deceased
18 participant's estate, including information relating to the
19 deceased participant's beneficiary, or if an executor or
20 administrator of the deceased participant's estate has not been
21 named, a person or entity who the executive director determines is
22 acting in the interest of the deceased participant's estate, or an
23 heir, legatee, or devisee of the deceased participant;

24 (3) a spouse or former spouse of the participant if the
25 executive director determines that the information is relevant to
26 the spouse's or former spouse's interest in member accounts,
27 benefits, or other amounts payable by the retirement system;

1 (4) an administrator, carrier, consultant, attorney,
2 or agent acting on behalf of the retirement system;

3 (5) a governmental entity, an employer, or the
4 designated agent of an employer, only to the extent the retirement
5 system needs to share the information to perform the purposes of the
6 retirement system, as determined by the executive director;

7 (6) a person authorized by the participant in writing
8 to receive the information;

9 (7) a federal, state, or local criminal law
10 enforcement agency that requests a record for a law enforcement
11 purpose;

12 (8) the attorney general to the extent necessary to
13 enforce child support; or

14 (9) a party in response to a subpoena issued under
15 applicable law if the executive director determines that the
16 participant will have a reasonable opportunity to contest the
17 subpoena.

18 SECTION 31. Subsection (a), Section 825.515, Government
19 Code, is amended to read as follows:

20 (a) At least annually, the retirement system shall acquire
21 and maintain records identifying members and the types of positions
22 they hold as members. The type of position shall be identified as
23 Administrative/Professional, Teacher/Full-Time Librarian,
24 Support, ~~or~~ Bus Driver, or Peace Officer. For each member
25 identified as a Peace Officer, the records must specify whether the
26 member is an employee of an institution of higher education or of a
27 public school that is not an institution of higher education. An

1 employer shall provide the information required by this section in
2 the form and manner specified by the retirement system.

3 SECTION 32. Subdivision (1), Section 1575.003, Insurance
4 Code, is amended to read as follows:

5 (1) "Dependent" means:

6 (A) the spouse of a retiree;

7 (B) an unmarried child of a retiree or deceased
8 active member if the child is younger than 25 years of age,
9 including:

10 (i) an adopted child;

11 (ii) a foster child, stepchild, or other
12 child who is in a regular parent-child relationship; or

13 (iii) a recognized natural child;

14 (C) a retiree's recognized natural child,
15 adopted child, foster child, stepchild, or other child who is in a
16 regular parent-child relationship and who lives with or has his or
17 her care provided by the retiree or surviving spouse on a regular
18 basis regardless of the child's age, if the child has a mental
19 disability [~~is mentally retarded~~] or is physically incapacitated to
20 an extent that the child is dependent on the retiree or surviving
21 spouse for care or support, as determined by the trustee; or

22 (D) a deceased active member's recognized
23 natural child, adopted child, foster child, stepchild, or other
24 child who is in a regular parent-child relationship, without regard
25 to the age of the child, if, while the active member was alive, the
26 child:

27 (i) lived with or had the child's care

1 provided by the active member on a regular basis; and

2 (ii) had a mental disability [~~was mentally~~
3 ~~retarded~~] or was physically incapacitated to an extent that the
4 child was dependent on the active member or surviving spouse for
5 care or support, as determined by the trustee.

6 SECTION 33. Section 1575.206, Insurance Code, is amended to
7 read as follows:

8 Sec. 1575.206. CONTRIBUTIONS HELD IN TRUST FOR FUND. An
9 employing public school [~~district~~] and its governing body
10 [~~trustees~~]:

11 (1) hold contributions required by this subchapter in
12 trust for the fund and its participants; and

13 (2) may not divert the contributions for any other
14 purpose.

15 SECTION 34. Section 1575.207, Insurance Code, is amended to
16 read as follows:

17 Sec. 1575.207. INTEREST ASSESSED ON LATE PAYMENT OF
18 DEPOSITS BY EMPLOYING PUBLIC SCHOOLS [~~SCHOOL DISTRICTS~~]. (a) An
19 employing public school [~~district~~] that does not remit to the
20 trustee all contributions required by this subchapter before the
21 seventh day after the last day of the month shall pay to the fund:

22 (1) the contributions; and

23 (2) interest on the unpaid amounts at the annual rate
24 of six percent compounded monthly.

25 (b) On request, the trustee may grant a waiver of the
26 deadline imposed by this section based on an employing public
27 school's [~~district's~~] financial or technological resources.

1 SECTION 35. Section 1579.004, Insurance Code, is amended to
2 read as follows:

3 Sec. 1579.004. DEFINITION OF DEPENDENT. In this chapter,
4 "dependent" means:

5 (1) a spouse of a full-time employee or part-time
6 employee;

7 (2) an unmarried child of a full-time or part-time
8 employee if the child is younger than 25 years of age, including:

9 (A) an adopted child;

10 (B) a foster child, stepchild, or other child who
11 is in a regular parent-child relationship; and

12 (C) a recognized natural child;

13 (3) a full-time or part-time employee's recognized
14 natural child, adopted child, foster child, stepchild, or other
15 child who is in a regular parent-child relationship and who lives
16 with or has his or her care provided by the employee or the
17 surviving spouse on a regular basis, regardless of the child's age,
18 if the child has a mental disability [~~is mentally retarded~~] or is
19 physically incapacitated to an extent that the child is dependent
20 on the employee or surviving spouse for care or support, as
21 determined by the board of trustees; and

22 (4) notwithstanding any other provision of this code,
23 any other dependent of a full-time or part-time employee specified
24 by rules adopted by the board of trustees.

25 SECTION 36. (a) The following provisions of the Government
26 Code are repealed:

27 (1) Subsection (i), Section 823.401;

- 1 (2) Subsections (g) and (h), Section 823.402;
- 2 (3) Subsection (e), Section 823.501;
- 3 (4) Subsections (c), (d), (m), (p), and (q), Section
- 4 824.602; and
- 5 (5) Section 825.3021.

6 (b) Section 57, Chapter 1359 (S.B. 1691), Acts of the 79th

7 Legislature, Regular Session, 2005, is repealed.

8 SECTION 37. The change in law made by this Act to Section

9 804.003, Government Code, applies only to a qualified domestic

10 relations order entered on or after the effective date of this Act.

11 A qualified domestic relations order entered before the effective

12 date of this Act is governed by the law in effect immediately before

13 that date, and the former law is continued in effect for that

14 purpose.

15 SECTION 38. Subdivision (15), Section 821.001, Government

16 Code, as amended by this Act, applies beginning with the 2012-2013

17 school year.

18 SECTION 39. A member of the Teacher Retirement System of

19 Texas who seeks credit under Subsection (b), Section 823.002,

20 Government Code, as added by this Act, for service rendered before

21 September 1, 2011, but not properly credited to a member's annual

22 statement, must notify the retirement system not later than the

23 date specified in Subsection (b), Section 823.002, Government Code,

24 as added by this Act, or August 31, 2016, whichever is later.

25 SECTION 40. Subsections (d) and (e), Section 823.401,

26 Government Code, as amended by Section 10, Chapter 1359 (S.B.

27 1691), Acts of the 79th Legislature, Regular Session, effective

1 September 1, 2005, apply to a person who was a member of the Teacher
2 Retirement System of Texas on December 31, 2005, and to
3 out-of-state service performed before January 1, 2006,
4 notwithstanding Section 57 of that Act.

5 SECTION 41. The changes in law made by this Act to Section
6 824.105, Government Code, apply only to the death of a member or
7 annuitant of the Teacher Retirement System of Texas that is caused
8 by conduct that occurs on or after the effective date of this Act.
9 The death of a member or annuitant that is caused by conduct that
10 occurs before the effective date of this Act is governed by the law
11 in effect immediately before that date, and the former law is
12 continued in effect for that purpose.

13 SECTION 42. (a) A person who resumed employment after
14 retirement and whose benefit payments were suspended under Section
15 824.601, Government Code, as that section existed before amendment
16 by this Act, is entitled to the resumption of monthly benefit
17 payments if the person meets the requirements of Subsection (b-1),
18 Section 824.601, Government Code, as added by this Act, or Section
19 824.602, Government Code, as amended by this Act.

20 (b) The Teacher Retirement System of Texas shall resume
21 making monthly benefit payments to a person described by Subsection
22 (a) of this section on the first payment date occurring on or after
23 the effective date of this Act.

24 (c) A person who is entitled to the resumption of monthly
25 benefit payments under this section is not entitled to recover
26 benefit payments not made during the period the person's benefit
27 was suspended under Section 824.601, Government Code, as that

1 section existed before amendment by this Act.

2 SECTION 43. The change in law made by this Act to Section
3 825.002, Government Code, applies only to a vacancy on the board of
4 trustees of the Teacher Retirement System of Texas for a term that
5 expires on or after the effective date of this Act. A vacancy for a
6 term that expires before the effective date of this Act is governed
7 by the law in effect immediately before that date, and the former
8 law is continued in effect for that purpose.

9 SECTION 44. For unreported service rendered or unreported
10 compensation paid before the effective date of this Act, the
11 verification required under Subsection (h), Section 825.403,
12 Government Code, as amended by this Act, must be received by the
13 Teacher Retirement System of Texas not later than August 31, 2016.

14 SECTION 45. (a) Notwithstanding the service credit cost
15 provisions of Section 40 of this Act and Subsection (e), Section
16 823.402, Subdivision (2), Subsection (c), Section 823.501, and
17 Subsection (h), Section 825.403, Government Code, as amended by
18 this Act, a person may establish service credit by paying the
19 deposits and fees required under Sections 823.402, 823.501, and
20 825.403, Government Code, and by Section 57, Chapter 1359 (S.B.
21 1691), Acts of the 79th Legislature, Regular Session, 2005, as
22 those sections existed before amendment or repeal by this Act, if:

23 (1) the person otherwise meets all eligibility
24 requirements under those sections as amended by this Act;

25 (2) the service for which credit is sought to be
26 established was rendered, or the compensation for which credit is
27 sought was paid, before the effective date of this Act; and

1 (3) the person makes payment for the service credit,
2 or enters into an installment agreement for payment, not later than
3 August 31, 2013.

4 (b) If a person has an installment agreement under
5 Subsection (a) of this section that is terminated after August 31,
6 2013, before the person has made all of the payments, the person may
7 establish credit only as provided by Sections 823.402, 823.501, and
8 825.403, Government Code, as amended by this Act, and by Section 40
9 of this Act.

10 SECTION 46. The change in law made by this Act to Subsection
11 (b), Section 825.507, Government Code, applies only to the release
12 of records by the Teacher Retirement System of Texas on or after the
13 effective date of this Act. The release of records before the
14 effective date of this Act is governed by the law in effect
15 immediately before that date, and the former law is continued in
16 effect for that purpose.

17 SECTION 47. (a) Notwithstanding Subsection (a), Section
18 825.404, Government Code, for the state fiscal year ending August
19 31, 2012, the amount of the state contribution to the Teacher
20 Retirement System of Texas under that section may be less than the
21 amount contributed by members during that fiscal year.

22 (b) Notwithstanding Subsection (a), Section 1575.202,
23 Insurance Code, for the state fiscal year ending August 31, 2013,
24 the state may contribute an amount to the retired school employees
25 group insurance fund that is less than one percent of the salary of
26 each active employee.

27 SECTION 48. To the extent of any conflict, this Act prevails

1 over another Act of the 82nd Legislature, Regular Session, 2011,
2 relating to nonsubstantive additions to and corrections in enacted
3 codes.

4 SECTION 49. This Act takes effect immediately if it
5 receives a vote of two-thirds of all the members elected to each
6 house, as provided by Section 39, Article III, Texas Constitution.
7 If this Act does not receive the vote necessary for immediate
8 effect, this Act takes effect September 1, 2011.