

BILL ANALYSIS

H.B. 952
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Pensions
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Employees Retirement System of Texas (ERS) does not currently allow a beneficiary to designate all or part of a benefit to be paid to a funeral home or director. Interested parties contend that this is in contrast to private life insurance companies, which allow beneficiaries to assign a death benefit directly to a funeral home or director. The parties express concern that because of the ERS policy, some beneficiaries are unable to pay for services provided in connection with a death. H.B. 952 seeks to address this situation by amending current law relating to the assignment of death benefits payable by ERS.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the board of trustees of the Employees Retirement System of Texas in SECTIONS 1, 2, and 3 of this bill.

ANALYSIS

H.B. 952, effective January 1, 2014, amends the Government Code to authorize a beneficiary to whom a member death benefit or a retiree death benefit is payable by the Employees Retirement System of Texas (ERS) to provide by assignment that part or all of the applicable benefit be paid in consideration for services provided in connection with the member's death directly to a funeral director or funeral establishment licensed under Texas law or the comparable law of another state. The bill authorizes the ERS board of trustees by rule to establish requirements for forms, documentation, and procedures necessary for an effective assignment. The bill requires the board of trustees, as soon as practicable after the bill's effective date but not later than January 1, 2014, to adopt rules to implement the bill's provisions.

EFFECTIVE DATE

Except as otherwise provided, September 1, 2013.