

By: Burkett

H.B. No. 3488

A BILL TO BE ENTITLED

AN ACT

1
2 relating to financial accounting and reporting of pension benefits
3 for employees of this state and political subdivisions of this
4 state.

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

6 SECTION 1. The heading to Subchapter C, Chapter 2266,
7 Government Code, is amended to read as follows:

8 SUBCHAPTER C. PENSION AND OTHER POSTEMPLOYMENT BENEFITS

9 SECTION 2. Section 2266.102, Government Code, is amended to
10 read as follows:

11 Sec. 2266.102. ACCOUNTING FOR PENSION AND OTHER
12 POSTEMPLOYMENT BENEFITS. To the extent that generally accepted
13 accounting principles require accounting or reporting of pension
14 and other postemployment benefits at the government-wide or fund
15 level on any basis other than pay-as-you-go, this state and its
16 political subdivisions may account for or report those pension and
17 other postemployment benefits in accordance with the statutory
18 accounting principles in this chapter.

19 SECTION 3. The heading to Section 2266.103, Government
20 Code, is amended to read as follows:

21 Sec. 2266.103. COMMUNICATION OF STATE SYSTEM'S OBLIGATIONS
22 TO PROVIDE PENSION AND OTHER POSTEMPLOYMENT BENEFITS.

23 SECTION 4. Sections 2266.103(a) and (c), Government Code,
24 are amended to read as follows:

1 (a) In this section, "member" means a person to whom a state
2 system provides, or has promised to provide, pension or other
3 postemployment benefits, including:

4 (1) a retiree, annuitant, or employee; or

5 (2) a spouse, surviving spouse, or other dependent.

6 (c) A state system shall inform its members about the extent
7 of the system's commitments regarding pension or other
8 postemployment benefits, including whether the pension or other
9 postemployment benefits are limited by funding obligations or
10 whether the funding obligations extend throughout the life of the
11 member.

12 SECTION 5. Section 2266.104, Government Code, is amended to
13 read as follows:

14 Sec. 2266.104. DISCLOSURE OF INFORMATION ON FINANCIAL
15 STATEMENTS; GENERALLY. This state or a political subdivision of
16 this state shall disclose in its notes to the financial statement in
17 a manner consistent with this subchapter:

18 (1) pension and other postemployment benefits that it
19 provides in its substantive plan, including:

20 (A) the covered employee groups;

21 (B) eligibility requirements; and

22 (C) the amount, described in an appropriate
23 manner, of obligations that it and the member contribute;

24 (2) the statutory, contractual, or other authority
25 under which pension and other postemployment benefits are provided
26 under Subdivision (1);

27 (3) the accounting, financing, and funding policies

1 that it follows;

2 (4) the amount of pension and other postemployment
3 benefits expenditures that it recognizes during the period, net of
4 member contributions;

5 (5) the number of members currently eligible to
6 receive pension or other postemployment benefits;

7 (6) any significant matters that affect the
8 comparability of the disclosures required by this section with
9 those for the previous period; and

10 (7) any additional information that it believes will
11 assist in explaining the nature and cost of its commitment to
12 provide pension and other postemployment benefits.

13 SECTION 6. Section 2266.106(b), Government Code, is amended
14 to read as follows:

15 (b) The site must include information that makes the site a
16 resource tool for the state and its political subdivisions to
17 consistently manage pension and other postemployment benefits to
18 conform to statutory, constitutional, and other legal
19 requirements.

20 SECTION 7. This Act takes effect September 1, 2013.