

By: Duncan

S.B. No. 1458

A BILL TO BE ENTITLED

AN ACT

relating to the administration of and benefits payable by the  
Teacher Retirement System of Texas.

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

SECTION 1. Sections 824.1012(a) and (b), Government Code,  
are amended to read as follows:

(a) As an exception to Section 824.101(c), a retiree who  
selected an optional service retirement annuity under Section  
824.204(c)(1), (c)(2), or (c)(5) or an optional disability  
retirement annuity under Section 824.308(c)(1), (c)(2), or (c)(5)  
and who has received at least one payment under the plan selected  
may change the optional annuity selection made by the retiree to a  
standard service or disability retirement annuity as provided for  
in this section ~~[revoke the designation of the beneficiary to~~  
~~receive the annuity on the death of the retiree]~~. If the  
beneficiary is the spouse or former spouse of the retiree, the  
beneficiary must sign a notarized consent to the change, or ~~[, if]~~ a  
court in a divorce proceeding involving the retiree and beneficiary  
must approve ~~[approves]~~ or order ~~[orders]~~ the change ~~[revocation]~~  
in the divorce decree or acceptance of a property settlement ~~[or if~~  
~~the beneficiary is the spouse, or a former spouse, or an adult child~~  
~~of the retiree and signs a notarized consent to the revocation]~~.  
The change in plan selection ~~[revocation]~~ takes effect when the  
retirement system receives it.

1 (b) A change [~~revocation~~] described by Subsection (a)  
 2 cancels the optional annuity selection made by the retiree,  
 3 effective with the beginning of payments of the annuity as  
 4 recomputed under this subsection. The retiree is entitled to  
 5 receive payments of a standard service or disability retirement  
 6 annuity, as applicable, reduced for early retirement, if  
 7 applicable, beginning with the payment for the month after the  
 8 month in which the retirement system receives the notice of change  
 9 [~~revocation~~] and ending on the death of the retiree. The change  
 10 also cancels the designation of beneficiary with respect to the  
 11 optional annuity benefit but does not cancel a designation with  
 12 respect to any other benefit payable by the retirement system on the  
 13 death of the retiree.

14 SECTION 2. Section 824.1013(b) is amended to read as  
 15 follows:

16 (b) If the beneficiary designated at the time of the  
 17 retiree's retirement is the spouse [~~or former spouse~~] of the  
 18 retiree at the time of the designation:

19 (1) the spouse [~~or former spouse~~] must give written,  
 20 notarized consent to the change;

21 (2) if the parties divorced after the designation, the  
 22 former spouse who was designated beneficiary must give written,  
 23 notarized consent to the change; or

24 (3) [~~(2)~~] a court with jurisdiction over the marriage  
 25 must have ordered the change.

26 SECTION 3. Section 1575.003(1), Insurance Code, is amended  
 27 to read as follows:

(1) "Dependent" means:

(A) the spouse of a retiree;

(B) a [~~an unmarried~~] child of a retiree or deceased active member if the child is younger than 26 [~~25~~] years of age, including:

(i) an adopted child or child who is lawfully placed for legal adoption;

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

(iii) a [~~recognized~~] natural child;

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

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

(i) lived with or had the child's care provided by the active member on a regular basis; and

(ii) had a mental disability or was physically incapacitated to an extent that the child was dependent

on the active member or surviving spouse for care or support, as determined by the trustee.

SECTION 4. Section 1579.004, Insurance Code, is amended to read as follows:

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

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

(2) a ~~[an unmarried]~~ child of a full-time or part-time employee if the child is younger than 26 ~~[25]~~ years of age, including:

(A) an adopted child or child who is lawfully placed for adoption;

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

(C) a ~~[recognized]~~ natural child;

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

(4) notwithstanding any other provision of this code, any other dependent of a full-time or part-time employee specified

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1 by rules adopted by the board of trustees.

2 SECTION 5. This Act takes effect September 1, 2013.