

By: Márquez

H.B. No. 2859

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of membership service credit by a member of the Employees Retirement System of Texas for employment with a tribal government.

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

SECTION 1. Section 811.001(16), Government Code, is amended to read as follows:

(16) "Service credit" means the amount of membership and tribal government or military service ascribed to a person's account in the retirement system for which all required contributions have been made to, and are being held by, the retirement system.

SECTION 2. Section 813.001, Government Code, is amended to read as follows:

Sec. 813.001. TYPES OF CREDITABLE SERVICE. The types of service creditable in the retirement system are membership service, tribal government service, military service, and equivalent membership service.

SECTION 3. Section 813.101, Government Code, is amended to read as follows:

Sec. 813.101. DETERMINATION OF REQUIRED DEPOSITS. The retirement system shall determine in each case the amount of money to be deposited by a member claiming credit for membership, tribal government service, or military service previously canceled or not

1 previously established. The system may not provide benefits based
2 on the claimed service until the determined amount has been fully
3 paid.

4 SECTION 4. Section 813.106, Government Code, is amended to
5 read as follows:

6 Sec. 813.106. SERVICE NOT PREVIOUSLY ESTABLISHED. The
7 state shall make contributions for service not previously
8 established that is established under Section 813.104 in the amount
9 provided by Section 813.202(c) for membership service, ~~or~~ the
10 amount provided by Section 813.302(d) for military service, or the
11 amount provided by Section 813.602(b) for tribal government
12 service, as applicable. The state contributions will be made at the
13 time the service credit is granted.

14 SECTION 5. Section 813.401, Government Code, is amended to
15 read as follows:

16 Sec. 813.401. SERVICE CREDITABLE IN ELECTED CLASS. Service
17 creditable in the elected class of membership is:

18 (1) membership service in an office included in that
19 class;

20 (2) military service established as provided by
21 Subchapter D; ~~and~~

22 (3) tribal government service established as provided
23 by Subchapter G; and

24 (4) equivalent membership service specifically made
25 creditable in that class.

26 SECTION 6. Section 813.404, Government Code, is amended to
27 read as follows:

1 Sec. 813.404. CONTRIBUTIONS FOR SERVICE NOT PREVIOUSLY
2 ESTABLISHED. For each month of membership, military, tribal
3 government, or equivalent membership service not previously
4 credited in the retirement system, a member claiming credit in the
5 elected class shall pay a contribution in an amount equal to the
6 greater of:

7 (1) eight percent of the monthly salary paid to
8 members of the legislature at the time the credit is established; or

9 (2) the appropriate member contribution provided by
10 Section 815.402 for a person who holds, at the time the credit is
11 established, the office for which credit is sought.

12 SECTION 7. Section 813.501, Government Code, is amended to
13 read as follows:

14 Sec. 813.501. SERVICE CREDITABLE IN EMPLOYEE CLASS.
15 Service creditable in the employee class of membership is:

16 (1) membership service in a position included in that
17 class;

18 (2) military service established as provided by
19 Subchapter D;

20 (3) service creditable in or transferred from the
21 elected class as provided by Section 813.503; ~~and~~

22 (4) administrative board service established as
23 provided by Section 813.502; and

24 (5) tribal government service established as provided
25 by Subchapter G.

26 SECTION 8. Section 813.503(a), Government Code, is amended
27 to read as follows:

(a) A member may establish in, or have transferred to, the employee class all service credited in the elected class, if the contributions made to establish the service in the elected class equal or exceed contributions required of a member of the employee class for the same amount of service during the same time and at the same rate of compensation. A member or retiree who has, or had at the time of retirement, at least eight years of service credit in the elected class of membership, exclusive of tribal government or military service, may transfer service credit between classes before or after retirement.

SECTION 9. Section 813.505(a), Government Code, is amended to read as follows:

(a) A member claiming credit in the employee class for membership service not previously established, including a member claiming credit in the employee class for tribal government service, shall, for each month of the service, pay a contribution in an amount equal to the greater of:

(1) the appropriate member contribution provided by Section 815.402 for the service during the time for which credit is sought; or

(2) \$18.

SECTION 10. Chapter 813, Government Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. ESTABLISHMENT OF TRIBAL GOVERNMENT SERVICE

Sec. 813.601. CREDITABLE TRIBAL GOVERNMENT SERVICE. (a) A member may establish membership service credit for employment with a tribal government in accordance with this subchapter.

1 (b) A member may establish one month of service credit for
2 each month or fraction of a month of employment with a tribal
3 government, but not more than 60 months of service credit in the
4 retirement system for tribal government service.

5 Sec. 813.602. TRIBAL GOVERNMENT SERVICE NOT PREVIOUSLY
6 ESTABLISHED. (a) A member may establish service credit under
7 Section 813.603 by depositing with the retirement system in a lump
8 sum a contribution computed as provided by Section [813.404](#) or
9 [813.505](#), as applicable, plus, if the member does not establish the
10 credit before the first anniversary of the date of first
11 eligibility, interest computed on the basis of the state fiscal
12 year at an annual rate of 10 percent from the date of first
13 eligibility to the date of deposit.

14 (b) The state shall contribute for service established
15 under this section an amount in the same ratio to the member's
16 contribution for the service as the state's contribution bears to
17 the contribution for current service required of a member of the
18 employee class at the time the service is established under this
19 section. The state's contribution shall be paid from the fund from
20 which the member receives compensation at the time the service is
21 established or, if the member does not hold a position at the time
22 the service is established, from the fund from which the member
23 received compensation when the member most recently held a
24 position.

25 (c) The board of trustees may require members applying for
26 credit under this section to submit any information the board finds
27 necessary to enable it to determine eligibility for or amount of

1 service or amounts of required contributions.

2 Sec. 813.603. SERVICE CREDITED TO MEMBERSHIP CLASS. Tribal
3 government service is creditable in a class of membership that
4 includes a position held by the member at the time the member
5 establishes service credit.

6 Sec. 813.604. USE OF TRIBAL GOVERNMENT SERVICE CREDIT. (a)
7 The retirement system shall use service credit established under
8 this subchapter in computing occupational disability retirement
9 benefits and death benefits and in determining eligibility to
10 select an optional death benefit plan.

11 (b) The retirement system shall use service credit
12 established under this subchapter in computing service retirement
13 or nonoccupational disability retirement benefits of a member of
14 the employee class only if the member has, without service credit
15 established under this subchapter, at least five years of service
16 credit in that class.

17 (c) The retirement system shall use service credit
18 established under this subchapter in computing service retirement
19 or nonoccupational disability retirement benefits of a member of
20 the elected class only if the member has enough service credit,
21 exclusive of the service credit established under this subchapter,
22 to be eligible for service retirement benefits at age 60.

23 SECTION 11. Section 815.311(a), Government Code, is amended
24 to read as follows:

25 (a) The retirement system shall deposit in a member's
26 individual account in the employees saving account the following
27 amounts:

1 (1) the amount of contributions to the retirement
2 system that is deducted from the member's compensation;

3 (2) the portion of a deposit required to reinstate
4 service credit previously canceled that represents only the amount
5 withdrawn;

6 (3) the portion of a deposit required to establish
7 service credit not previously established that represents only the
8 required contribution; ~~and~~

9 (4) the portion of a deposit required to establish
10 military service credit that represents only the member's
11 contribution for that credit; and

12 (5) the portion of a deposit required to establish
13 tribal government service credit that represents only the member's
14 contribution for that credit.

15 SECTION 12. Section 815.312(b), Government Code, is amended
16 to read as follows:

17 (b) The retirement system also shall deposit in the state
18 accumulation account the interest portion of the following deposits
19 made by members:

20 (1) deposits required to reinstate service previously
21 canceled;

22 (2) deposits required to establish service credit not
23 previously established; ~~and~~

24 (3) deposits required to establish military service
25 credit; and

26 (4) deposits required to establish tribal government
27 service credit.

1 SECTION 13. This Act takes effect September 1, 2015.