

By: Moody

H.B. No. 4232

A BILL TO BE ENTITLED

AN ACT

relating to the amount of the employer contribution rate for certain public retirement systems; authorizing a penalty.

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

SECTION 1. Subtitle A, Title 8, Government Code, is amended by adding Chapter 808 to read as follows:

CHAPTER 808. ADJUSTMENTS TO EMPLOYER CONTRIBUTION RATES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 808.001. DEFINITIONS. In this chapter:

(1) "Funded ratio" means the ratio of a public retirement system's actuarial value of assets divided by the retirement system's actuarial accrued liability.

(2) "Governmental entity" has the meaning assigned by Section 802.1012.

(3) "Public retirement system" has the meaning assigned by Section 802.001.

Sec. 808.002. EXEMPTIONS. This chapter does not apply to the Employees Retirement System of Texas, the Teacher Retirement System of Texas, the Texas County and District Retirement System, the Texas Municipal Retirement System, and the Judicial Retirement System of Texas Plan Two.

Sec. 808.003. CONFLICT OF LAW. To the extent of a conflict between this chapter and any other law, this chapter prevails.

1        SUBCHAPTER B. ADJUSTMENT IN EMPLOYER CONTRIBUTION RATES

2        Sec. 808.051. CONTRIBUTION RATE ADJUSTMENT. If a public  
3 retirement system's most recent actuarial valuation reflects a  
4 funded ratio that is below 85 percent, the governmental entity  
5 shall contribute the recommended contribution rate determined  
6 under Section 802.101(a), if applicable, or the actuarially  
7 projected contribution rate otherwise recommended in the  
8 valuation.

9                                SUBCHAPTER C. ENFORCEMENT

10        Sec. 808.101. PENALTY OWED TO ACTIVE MEMBERS. (a) During  
11 any period in which a governmental entity fails to comply with  
12 Section 808.051, the governmental entity is liable to each active  
13 member of the public retirement system for which the governmental  
14 entity fails to comply for a penalty in an amount equal to the  
15 member's contributions for that period.

16        (b) A public retirement system is not liable for the penalty  
17 imposed on a governmental entity under this section.

18        SECTION 2. This Act takes effect September 1, 2017.