

By: Hughes

S.B. No. 1954

A BILL TO BE ENTITLED

AN ACT

1
2 relating to participation in and contributions to the optional
3 retirement program for certain employees of institutions of higher
4 education.

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

6 SECTION 1. Section 830.102, Government Code, is amended by
7 amending Subsection (c) and adding Subsections (c-1) and (c-2) to
8 read as follows:

9 (c) Except as provided by Subsections (c-1) and (c-2), a [A]
10 person who becomes eligible to participate in the optional
11 retirement program after the date the program becomes available at
12 the person's place of employment must elect to participate before
13 the 91st day after becoming eligible.

14 (c-1) A person who becomes eligible to participate in the
15 optional retirement program and is notified by the person's
16 employer of the opportunity to participate after the first day and
17 before the 91st day after the date the person becomes eligible must
18 elect to participate in the program before the later of:

19 (1) the 91st day after the date the person becomes
20 eligible; or

21 (2) the 31st day after the date the person receives
22 notice of the opportunity to participate in the program.

23 (c-2) A person who becomes eligible to participate in the
24 optional retirement program and is notified of the opportunity to

1 participate in the program by the person's employer on or after the
2 91st day after the date the person becomes eligible must be notified
3 by the employer before the 151st day after the date the person
4 becomes eligible. The person must elect to participate in the
5 program before the later of:

6 (1) the 151st day after the date the person becomes
7 eligible; or

8 (2) the 31st day after the date the person receives
9 notice of the opportunity to participate in the program.

10 SECTION 2. Subchapter B, Chapter 830, Government Code, is
11 amended by adding Section 830.108 to read as follows:

12 Sec. 830.108. CORRECTION OF CERTAIN ERRORS. (a) For
13 purposes of this section, an employing institution of higher
14 education submits in error a member contribution to the retirement
15 system on behalf of a participant in the optional retirement
16 program if:

17 (1) the participant on behalf of whom the contribution
18 is submitted previously elected to participate in the optional
19 retirement program;

20 (2) the participant participated in the program for at
21 least one year; and

22 (3) the participant is employed by an institution of
23 higher education and is not eligible for resumption of membership
24 in the retirement system under Section 830.106.

25 (b) An employing institution of higher education that
26 submits in error a member contribution to the retirement system on
27 behalf of a participant in the optional retirement program shall

1 restore the participant's participation in the program immediately
2 on discovering the error.

3 (c) As soon as practicable after receiving notice that an
4 employer submitted a member contribution in error, the retirement
5 system shall remit to the participant the amount of the member's
6 contribution submitted in error plus an amount representing
7 earnings on the member's contribution at the assumed rate of return
8 provided by Subsection (f). The retirement system shall reduce the
9 amount remitted to the participant by any amount required to be
10 withheld by law or court order.

11 (d) As soon as practicable after certification by an
12 employer that submitted a member contribution in error, the
13 comptroller shall remit to the participant an amount equal to the
14 state contribution that would have been paid for the benefit of the
15 participant under Section 830.201 plus an amount representing
16 earnings on the state contribution at the assumed rate of return
17 provided by Subsection (f). The comptroller shall reduce the
18 amount remitted to the participant by any amount required to be
19 withheld by law or court order.

20 (e) As soon as practicable after discovering the error, an
21 employer that submitted a member contribution in error shall remit
22 to the participant the amount of the employer contribution that
23 would have been paid for the benefit of the participant under
24 Section 830.2015 and under any other law, rule, or employer policy
25 plus an amount representing earnings on the employer contribution
26 at the assumed rate of return provided by Subsection (f). The
27 employer shall reduce the amount remitted to the participant by any

1 amount required to be withheld by law or court order.

2 (f) The assumed rate of return is earned monthly and
3 computed at the rate of four percent per year. Except as provided by
4 this subsection, the amount of earnings based on the assumed rate of
5 return is credited annually at the end of each 12-month period. The
6 first 12-month period begins on the date the first member
7 contribution was submitted in error. The amount of assumed
8 earnings is prorated to the month of payment.

9 SECTION 3. Section 830.108, Government Code, as added by
10 this Act, applies to a member contribution submitted in error as
11 provided by that section regardless of whether the contribution was
12 submitted before, on, or after the effective date of this Act.

13 SECTION 4. This Act takes effect September 1, 2017.