86R8892 KFF-D

By:  Lozano H.B. No. 2396

A BILL TO BE ENTITLED

AN ACT

relating to the accrual of interest on annuity and other payments made to certain retirees who have resumed employment within the Texas Municipal Retirement System.

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

SECTION 1.  Sections 852.108(f) and (j), Government Code, are amended to read as follows:

(f)  Monthly payments of a suspended annuity shall be resumed in the month following the month in which employment is terminated with the reemploying municipality and recomputed to reflect the accumulation of interest, [~~without change in the amount except for~~] any increase allowed under Section 854.203, and [~~or~~] the duration of or another condition pertaining to the suspended benefit. Except as provided by Subsection (j), payment of the resumed benefit may not be made for any month during which the payment was suspended under this section.

(j)  A person to whom this section applies shall receive a lump-sum payment in an amount equal to the sum of the service retirement annuity payments the person would have received had the person's annuity payments not been discontinued and suspended under this section, plus accumulated interest, if the person:

(1)  initially retired based on a bona fide termination of employment; and

(2)  resumed employment with the person's reemploying municipality at least eight years after the effective date of the person's retirement.

SECTION 2.  The change in law made by this Act applies only to a member of the Texas Municipal Retirement System who terminates employment with the person's reemploying municipality and files an application for resumption of retirement with the board of trustees of the Texas Municipal Retirement System under Section 852.108, Government Code, as amended by this Act, on or after the effective date of this Act. A member who terminates employment with the person's reemploying municipality and files an application for resumption of retirement with the board under Section 852.108, Government Code, before the effective date of this Act is governed by the law as it existed immediately before that date, and the former law is continued in effect for that purpose.

SECTION 3.  This Act takes effect September 1, 2019.