87R2015 KFF-D

By:  Stephenson H.B. No. 577

A BILL TO BE ENTITLED

AN ACT

relating to establishing a joint interim committee to study the cost-effectiveness and feasibility of implementing a pension revenue enhancement plan for the Teacher Retirement System of Texas.

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

SECTION 1.  INTERIM COMMITTEE; STUDY. (a) The joint interim committee on a pension revenue enhancement plan for the Teacher Retirement System of Texas is established to study and review the cost-effectiveness and feasibility of implementing a pension revenue enhancement plan to create an additional source of funding for the Teacher Retirement System of Texas.

(b)  The study must consider:

(1)  a pension revenue enhancement plan under which:

(A)  a life insurance policy is purchased for certain members and annuitants of the Teacher Retirement System of Texas enrolled in the plan; and

(B)  the proceeds of the policy are issued to the retirement system and the member's or annuitant's designated beneficiary;

(2)  methods for financing the pension revenue enhancement plan, including by:

(A)  obtaining a loan from a third-party lender to pay the life insurance policy premiums; and

(B)  establishing a trust fund to retain the collected proceeds;

(3)  eligibility criteria for members and annuitants of the retirement system to enroll in the plan; and

(4)  the process for selecting and appointing, including eligibility criteria, persons and entities necessary to administer and implement the plan, including members of a board of trustees to administer the plan, a person to act as trustee of the trust fund, a plan manager, a life insurance company, and a premium finance company.

(c)  The joint interim committee is composed of the members of the committee of the house of representatives having jurisdiction over pension systems and the members of the senate committee on state affairs.

(d)  The chair of the committee of the house of representatives having jurisdiction over pension systems and the chair of the senate committee on state affairs shall serve as co-chairs of the joint interim committee.

(e)  The joint interim committee shall convene at the call of the co-chairs.

(f)  The joint interim committee has all other powers and duties provided to a special or select committee by the rules of the senate and house of representatives, by Subchapter B, Chapter 301, Government Code, and by policies of the senate and house committees on administration.

(g)  Not later than December 31, 2022, the joint interim committee shall report the committee's findings and recommendations to the legislature.

SECTION 2.  ABOLITION OF COMMITTEE. The committee is abolished and this Act expires January 1, 2023.

SECTION 3.  EFFECTIVE DATE. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.