87R8896 KFF-F

By:  Hughes S.B. No. 1105

A BILL TO BE ENTITLED

AN ACT

relating to the resumption of employment by certain retirees within the Texas Municipal Retirement System.

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

SECTION 1.  Section 852.108, Government Code, is amended by amending Subsections (a), (c), (e), (f), (h), (i), and (j) and adding Subsections (b-1), (k), (l), (m), and (n) to read as follows:

(a)  In this section and Sections 852.1085 and 852.109, a person's reemploying municipality is the municipality for which the person most recently performed [~~was performing~~] creditable service before [~~at the time of~~] the person's retirement with respect to the person's particular individual account under this subtitle.

(b-1)  Unless subject to Subsection (c), the retirement annuity of a person subject to this section is not suspended.

(c)  If a person becomes an employee of the person's reemploying municipality at any time during the 12 consecutive months after the effective date of the person's last retirement from the reemploying municipality, the [~~The~~] retirement system shall discontinue and suspend the full amount of the monthly payments of the [~~each~~] service retirement annuity that is allowed because of the person's previous retirement from [~~service with~~] the reemploying municipality beginning with the month the retirement system determines that the person has again become an employee of the reemploying municipality. After the suspension and except as provided by Subsection (j), the retirement system may not make payments of the annuity for any month during which the person remains an employee of the reemploying municipality. The suspension of a benefit under this section does not suspend payment of a benefit to an alternate payee under a qualified domestic relations order.

(e)  After termination of employment with the reemploying municipality and after filing of an application for resumption of retirement with the board of trustees, a person described by Subsection (c) [~~(b)~~] is entitled to receive future payments of the suspended annuity, as provided by Subsection (f), and to the additional benefits as provided by Subsections (g), (h), (i), and (j).

(f)  Monthly payments of an [~~a suspended~~] annuity suspended under Subsection (c) shall resume beginning with [~~be resumed in~~] the month following the month in which employment is terminated with the reemploying municipality, without change in the amount except for any increase allowed under Section 854.203 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.

(h)  The additional service retirement benefit allowable to a person to whom this section applies is, at the option of that person, either:

(1)  a refund of accumulated contributions made since reemployment plus any accrued interest on the accumulated contributions allowed by the retirement system; or

(2)  a benefit consisting of:

(A)  a basic annuity actuarially determined from the sum of the member's contributions [~~deposits~~] made and accumulated since the date the person last became a member, together with interest accumulated on that amount since the person last became a member and an amount from the benefit accumulation fund equal to the amount of the member's contributions credited to the member's individual account since the person last became a member together with interest accrued on that amount since the person last became a member; or

(B)  a greater amount authorized by the municipality under Section 855.501.

(i)  The additional benefit described by Subsection (h)(2) [~~(h)~~] is payable as a standard service retirement benefit or, at the election of the member, any optional benefit authorized under this subtitle that is the actuarial equivalent of the standard retirement benefit. The first benefit payment date under this subsection is the later of the end of the month following the last month of employment or the end of the month following the month in which the person files an application for payment. The first payment may not be made if the person has resumed employment with the reemploying municipality in a position that would make the person an employee at any time during the 12 consecutive months after the effective date of the person's last retirement from the reemploying municipality.

(j)  Subject to Subsection (m), a [~~A~~] person who resumed employment with the person's reemploying municipality before September 1, 2021, [~~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 as it existed on the date the person resumed employment with the reemploying municipality, 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.

(k)  If the annuity payments of a person who resumed employment with the person's reemploying municipality before September 1, 2021, were discontinued and suspended under this section as it existed on the date the person resumed employment with the reemploying municipality, on filing of a written application with the retirement system, the retirement system shall, subject to Subsection (l), resume making the annuity payments to the person, provided:

(1)  the person's retirement that preceded the resumption of employment was based on a bona fide termination of employment;

(2)  the person did not become an employee of the person's reemploying municipality at any time during the 12 consecutive months after the effective date of the person's retirement described by Subdivision (1); and

(3)  the person has not terminated employment with the reemploying municipality.

(l)  Monthly payments of an annuity suspended under Subsection (k) shall resume beginning with the month following the month in which the written application is approved by the retirement system without change in the amount except for any increase allowed under Section 854.203 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 as it existed on the date the person resumed employment with the reemploying municipality.

(m)  At the time a person files a written application to resume benefits under Subsection (k), the retirement system shall pay the person any lump-sum payment owed to the person under Subsection (j).

(n)  The board of trustees may adopt rules to implement this section.

SECTION 2.  Sections 852.109(a), (e), and (f), Government Code, are amended to read as follows:

(a)  If a person becomes an employee of a municipality after the effective date of the person's [~~beginning to receive a~~] retirement from a participating municipality [~~benefit~~], and the municipality is not the person's reemploying municipality, the person again becomes a member of the retirement system, and the person's retirement annuity is not suspended.

(e)  The additional benefit described by Subsection (d)(2) [~~(d)~~] is payable as a standard service retirement benefit or, at the election of the member, any optional benefit authorized under this subtitle that is the actuarial equivalent of the standard retirement benefit. The first benefit payment date under this subsection is the later of the end of the month following the last month of employment or the end of the month following the month in which the person files an application for payment. The first payment may not be made if the person has resumed employment that would result in suspension of a benefit.

(f)  If a person became an employee of a municipality other than the person's reemploying municipality after the effective date of the person's [~~beginning to receive a~~] retirement from a participating municipality [~~benefit~~], and the person's service retirement annuity was suspended under Section 852.108 as it existed at the time of reemployment, the person may, on written application to the retirement system, resume receiving the suspended annuity.

SECTION 3.  This Act takes effect September 1, 2021.