

By: Stephenson

H.B. No. 577

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

13 (b) The study must consider:

14 (1) a pension revenue enhancement plan under which:

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

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

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

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

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

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

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

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

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

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

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

26 (g) Not later than December 31, 2022, the joint interim
27 committee shall report the committee's findings and

1 recommendations to the legislature.

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

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