

By: Gates

H.B. No. 2186

A BILL TO BE ENTITLED

AN ACT

relating to the state's contributions to the Employees Retirement System of Texas.

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

SECTION 1. Section 815.403(a), Government Code, is amended to read as follows:

(a) During each fiscal year, the state shall contribute to the retirement system:

(1) an amount equal to 10 [~~7.4~~] percent of the total compensation of all members of the retirement system for that year;

(2) money to pay lump-sum death benefits for retirees under Section 814.501;

(3) an amount for the law enforcement and custodial officer supplemental retirement fund equal to 2.13 percent of the aggregate state compensation of all custodial and law enforcement officers for that year;

(4) money necessary for the administration of the law enforcement and custodial officer supplemental retirement fund; ~~and~~

(5) money for service credit not previously established, as provided by Section 813.202(c) or 813.302(d); and

(6) an amount adopted by the board of trustees under Section 815.4031.

SECTION 2. Subchapter E, Chapter 815, Government Code, is

1 amended by adding Section 815.4031 to read as follows:

2 Sec. 815.4031. ACTUARIALLY DETERMINED STATE CONTRIBUTION  
3 AMOUNT. (a) For the fiscal year beginning September 1, 2021, and  
4 for each subsequent fiscal year:

5 (1) the actuary designated under Section 815.206 shall  
6 recommend to the board of trustees an actuarially determined  
7 contribution amount for review and adoption as the state  
8 contribution amount under Section 815.403(a)(6); and

9 (2) the board shall adopt as the state contribution  
10 amount under Section 815.403(a)(6) the actuarially determined  
11 contribution amount recommended by the actuary under Subdivision  
12 (1).

13 (b) For purposes of Subsection (a)(1), an actuarially  
14 determined contribution amount reflects the sum of:

15 (1) the state's normal cost of projected benefits for  
16 the fiscal year; and

17 (2) the state's portion of the total payment toward the  
18 unfunded actuarial accrued liabilities of the retirement system  
19 that is:

20 (A) attributable to the fiscal year; and

21 (B) sufficient to amortize the unfunded  
22 actuarial accrued liabilities of the system in a period that does  
23 not exceed 30 years by one or more years.

24 (c) The actuarially determined contribution amount  
25 recommended by the actuary under Subsection (a)(1) must be based  
26 on:

27 (1) reasonable actuarial assumptions and methods;

1           (2) tables adopted by the board under Section 815.105;  
2 and  
3           (3) the funding policy adopted by the board under  
4 Section 802.2011.

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