

By: Gates

H.B. No. 2187

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the service retirement eligibility and benefits of and
3 contributions to the Employees Retirement System of Texas.

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

5 SECTION 1. Section 814.104, Government Code, is amended by
6 amending Subsections (a) and (d) and adding Subsection (d-1) to
7 read as follows:

8 (a) Except as provided by Subsections (d), (d-1), and (e) of
9 this section, Section 814.102, or by rule adopted under Section
10 813.304(d) or 803.202(a)(2), a member who has service credit in the
11 retirement system is eligible to retire and receive a service
12 retirement annuity if the member:

13 (1) is at least 60 years old and has at least 5 years of
14 service credit in the employee class; or

15 (2) has at least 5 years of service credit in the
16 employee class and the sum of the member's age and amount of service
17 credit in the employee class, including months of age and credit,
18 equals or exceeds the number 80.

19 (d) Except as provided by Subsection (e) of this section,
20 Section 814.102, or by rule adopted under Section 813.304(d) or
21 803.202(a)(2), a member who was not a member on the date hired, was
22 hired on or after September 1, 2009, and before September 1, 2021,
23 and has service credit in the retirement system is eligible to
24 retire and receive a service retirement annuity if the member:

1 (1) is at least 65 years old and has at least 10 years
2 of service credit in the employee class; or

3 (2) has at least 10 years of service credit in the
4 employee class and the sum of the member's age and amount of service
5 credit in the employee class, including months of age and credit,
6 equals or exceeds the number 80.

7 (d-1) Except as provided by Subsection (e) of this section,
8 Section 814.102, or by rule adopted under Section 813.304(d) or
9 803.202(a)(2), a member who was not a member on the date hired, was
10 hired on or after September 1, 2021, and has service credit in the
11 retirement system is eligible to retire and receive a service
12 retirement annuity if the member:

13 (1) is at least 62 years old and has at least 7 years of
14 service credit in the employee class; or

15 (2) has at least 7 years of service credit in the
16 employee class and the sum of the member's age and amount of service
17 credit in the employee class, including months of age and credit,
18 equals or exceeds the number 80.

19 SECTION 2. Sections 814.105(a) and (d), Government Code,
20 are amended to read as follows:

21 (a) The standard service retirement annuity for service
22 credited in the employee class of membership is an amount computed
23 as the member's average monthly compensation for service in that
24 class for the 72 [~~60~~] highest months of compensation multiplied by
25 2.1 [~~2.3~~] percent for each year of service credit in that class.

26 (d) The standard service retirement annuity computed under
27 this section is reduced by five percent for each year the member

1 retires before the member reaches age 64 [~~62~~].

2 SECTION 3. Section 815.402(a), Government Code, is amended
3 to read as follows:

4 (a) Except as provided by Section 813.201, each payroll
5 period, each department or agency of the state shall cause to be
6 deducted from each member's compensation a contribution of:

7 (1) 9.5 percent of the compensation if the member is
8 not a member of the legislature, for service rendered after August
9 31, 2015, and before September 1, 2017;

10 (2) for service by a member who is not a member of the
11 legislature rendered on or after September 1, 2017, and before
12 September 1, 2021, the lesser of:

13 (A) 9.5 percent of the member's annual
14 compensation; or

15 (B) a percentage of the member's annual
16 compensation equal to 9.5 percent reduced by one-tenth of one
17 percent for each one-tenth of one percent that the state
18 contribution rate for the fiscal year to which the service relates
19 is less than the state contribution rate established for the 2017
20 fiscal year; [~~or~~]

21 (3) for service by a member who is not a member of the
22 legislature rendered on or after September 1, 2021, the lesser of:

23 (A) 10.5 percent of the member's annual
24 compensation; or

25 (B) a percentage of the member's annual
26 compensation equal to 10.5 percent reduced by one-tenth of one
27 percent for each one-tenth of one percent that the state

1 contribution rate for the fiscal year to which the service relates
2 is less than the state contribution rate established for the 2021
3 fiscal year; or

4 (4) 10.5 [~~9.5~~] percent of the compensation if the
5 member is a member of the legislature.

6 SECTION 4. Section 815.4035(a), Government Code, is amended
7 to read as follows:

8 (a) Except as provided by Section 813.201, the board of
9 trustees shall assess each employer whose employees are members of
10 the retirement system a state retirement contribution in an amount
11 equal to one [~~0.5~~] percent of the employer's total payroll, as
12 determined by the General Appropriations Act.

13 SECTION 5. The changes in law made by this Act to Section
14 814.105, Government Code, apply only to a person who is hired on or
15 after September 1, 2021, to work in a position that requires
16 membership in the Employees Retirement System of Texas. A person
17 hired before September 1, 2021, to work in a position that requires
18 membership in the Employees Retirement System of Texas is subject
19 to the law as it existed immediately before that date, and the
20 former law is continued in effect for that purpose.

21 SECTION 6. This Act takes effect September 1, 2021.