

By: Anchia

H.B. No. 3902

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

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

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

15 (c) If a person becomes an employee of the person's
16 reemploying municipality at any time during the 12 consecutive
17 months after the effective date of the person's last retirement
18 from the reemploying municipality, the ~~[The]~~ retirement system
19 shall discontinue and suspend the full amount of the monthly
20 payments of the ~~[each]~~ service retirement annuity that is allowed
21 because of the person's previous retirement from ~~[service with]~~ the
22 reemploying municipality beginning with the month the retirement
23 system determines that the person has again become an employee of
24 the reemploying municipality. After the suspension and except as

1 provided by Subsection (j), the retirement system may not make
2 payments of the annuity for any month during which the person
3 remains an employee of the reemploying municipality. The
4 suspension of a benefit under this section does not suspend payment
5 of a benefit to an alternate payee under a qualified domestic
6 relations order.

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

14 (f) Monthly payments of an [~~a suspended~~] annuity suspended
15 under Subsection (c) shall resume beginning with [~~be resumed in~~]
16 the month following the month in which employment is terminated
17 with the reemploying municipality, without change in the amount
18 except for any increase allowed under Section 854.203 or the
19 duration of or another condition pertaining to the suspended
20 benefit. Except as provided by Subsection (j), payment of the
21 resumed benefit may not be made for any month during which the
22 payment was suspended under this section.

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

26 (1) a refund of accumulated contributions made since
27 reemployment plus any accrued interest on the accumulated

1 contributions allowed by the retirement system; or

2 (2) a benefit consisting of:

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

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

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

27 (j) Subject to Subsection (m), a [A] person who resumed

1 employment with the person's reemploying municipality before
2 September 1, 2021, [~~to whom this section applies~~] shall receive a
3 lump-sum payment in an amount equal to the sum of the service
4 retirement annuity payments the person would have received had the
5 person's annuity payments not been discontinued and suspended under
6 this section as it existed on the date the person resumed employment
7 with the reemploying municipality, if the person:

8 (1) initially retired based on a bona fide termination
9 of employment; and

10 (2) resumed employment with the person's reemploying
11 municipality at least eight years after the effective date of the
12 person's retirement.

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

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

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

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

3 (1) Monthly payments of an annuity suspended under
4 Subsection (k) shall resume beginning with the month following the
5 month in which the written application is approved by the
6 retirement system without change in the amount except for any
7 increase allowed under Section 854.203 or the duration of or
8 another condition pertaining to the suspended benefit. Except as
9 provided by Subsection (j), payment of the resumed benefit may not
10 be made for any month during which the payment was suspended under
11 this section as it existed on the date the person resumed employment
12 with the reemploying municipality.

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

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

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

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

27 (e) The additional benefit described by Subsection (d)(2)

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

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

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