

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

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 effective beginning with [~~be~~  
16 ~~resumed in~~] the month following the month in which employment is  
17 terminated with the reemploying municipality, without change in the  
18 amount 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.

25 (j) Subject to Subsection (m), a [A] person who resumed  
26 employment with the person's reemploying municipality before  
27 September 1, 2021, [to whom this section applies] shall receive a

1 lump-sum payment in an amount equal to the sum of the service  
2 retirement annuity payments the person would have received had the  
3 person's annuity payments not been discontinued and suspended under  
4 this section as it existed on the date the person resumed employment  
5 with the reemploying municipality, if the person:

6 (1) initially retired based on a bona fide termination  
7 of employment; and

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

11 (k) If the annuity payments of a person who resumed  
12 employment with the person's reemploying municipality before  
13 September 1, 2021, were discontinued and suspended under this  
14 section as it existed on the date the person resumed employment with  
15 the reemploying municipality and the person has not terminated  
16 employment with the reemploying municipality, then on filing of a  
17 written application with the retirement system, the retirement  
18 system shall, subject to Subsection (l), resume making the annuity  
19 payments to the person, provided:

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

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

27 (l) Monthly payments of an annuity resumed under Subsection

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

10 (m) At the time a person resumes receiving payment of an  
11 annuity under Subsection (k), the retirement system shall pay the  
12 person any lump-sum payment owed to the person under Subsection  
13 (j).

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

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

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

24 (e) The additional benefit described by Subsection (d)(2)  
25 [~~(d)~~] is payable as a standard service retirement benefit or, at the  
26 election of the member, any optional benefit authorized under this  
27 subtitle that is the actuarial equivalent of the standard

1 retirement benefit. The first benefit payment date under this  
2 subsection is the later of the end of the month following the last  
3 month of employment or the end of the month following the month in  
4 which the person files an application for payment. The first  
5 payment may not be made if the person has resumed employment that  
6 would result in suspension of a benefit.

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

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

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1105 passed the Senate on April 27, 2021, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1105 passed the House on May 14, 2021, by the following vote: Yeas 135, Nays 10, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor