

BILL ANALYSIS

C.S.H.B. 3813
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Pensions, Investments & Financial Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Windham School District workforce includes teachers who previously served Texas students in the public school system. Current law is unclear as to whether the Employees Retirement System has the authority to honor Windham School District employees' years of service and include the employees in the state employee benefits program upon retirement. The district was recently made aware that some retirees who expected to be eligible for health benefits under that program were not because their service while employed by the district was not applied for satisfying the program's eligibility criteria. C.S.H.B. 3813 seeks to address this ambiguity in the law and make it clear that qualifying Windham School District teachers who dedicate 10 years or more service to teaching men and women incarcerated at prison facilities operated by the Texas Department of Criminal Justice are eligible for health benefits upon retirement under the state employees group benefits program.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3813 amends the Insurance Code to make an individual eligible to participate as an annuitant in the state employees group benefits program if the individual meets the following criteria:

- was employed for at least 10 years by the Windham School District as the individual's last position of employment before retirement;
- either has at least five years of eligible service credit and is the sole surviving spouse of military personnel who was killed in action or has at least 10 years of eligible service credit, including not more than five years of military service credited in the Employees Retirement System of Texas; and
- retires under the jurisdiction of the Teacher Retirement System of Texas (TRS) and either is at least 65 years of age or has accumulated membership service credit in TRS in an amount so that the sum of the person's age and amount of membership service credit, including months of age and credit, equals or exceeds the number 80.

The bill applies only to an individual who retires on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3813 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute revises the eligibility of an individual to participate in the group benefits program that appeared in the introduced as follows:

- requires the individual to have been employed by the Windham School District for at least 10 years, whereas the introduced did not include this requirement;
- requires the individual to have retired under TRS jurisdiction, whereas the introduced did not include this requirement; and
- omits the specification included in the introduced that the service credit the individual must have accumulated in TRS is credit earned while employed by an employer other than the Windham School District.