

BILL ANALYSIS

Senate Research Center
88R17421 BDP-F

H.B. 4141
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Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, campus peace officers who are members of the Teacher Retirement System of Texas (TRS) are entitled to fewer pension benefits and have to work much longer than other state officers. The Employees Retirement System of Texas (ERS) provides more attractive pension benefits to state officers through participation in the law enforcement and custodial officer supplemental (LECOS) retirement fund. H.B. 4141 seeks to address this discrepancy by requiring TRS to conduct a study on the feasibility of offering campus officers who are currently TRS members alternative service retirement benefits that are similar to those provided to members participating in the ERS LECOS fund.

H.B. 4141 amends current law relating to a study conducted by the Teacher Retirement System of Texas on the feasibility of offering alternative service retirement benefits to peace officers who are members of the retirement system.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 825, Government Code, by adding Section 825.1085, as follows:

Sec. 825.1085. STUDY AND REPORT ON ALTERNATIVE SERVICE RETIREMENT BENEFITS FOR PEACE OFFICERS. (a) Requires the Teacher Retirement System of Texas (TRS) to conduct a study on the feasibility of offering members who are peace officers alternative service retirement benefits under TRS.

(b) Requires TRS, in conducting the study, to assess the costs to and impact on TRS associated with offering members who are peace officers the following alternative service retirement benefits:

(1) a service retirement benefit under the existing benefit plan that:

(A) includes a supplemental benefit for peace officers that is substantially similar in design and cost structure to the supplemental retirement benefit payable from the law enforcement and custodial officer supplemental retirement fund established under Section 815.317 (Law Enforcement and Custodial Officer Supplemental Retirement Fund); and

(B) provides retirement eligibility at any age after the member attains 20 or 25 years of service;

(2) a service retirement benefit under a cash balance benefit plan that:

(A) is substantially similar in design and cost structure to the cash balance benefit plan established under Chapter 820 (Cash Balance Benefit), except that the plan considered under this subdivision is prohibited from offering a supplemental retirement benefit for peace officers similar to the supplemental retirement benefit for law enforcement and custodial officers provided under Chapter 820; and

(B) provides retirement eligibility at any age after the member attains 20 or 25 years of service; and

(3) a cash balance benefit plan that:

(A) is substantially similar in design and cost structure to the cash balance benefit plan established under Chapter 820, including by providing a supplemental retirement benefit for peace officers similar to the supplemental retirement benefit provided to law enforcement and custodial officers provided under Chapter 820; and

(B) provides retirement eligibility at any age after the member attains 20 or 25 years of service.

(c) Requires an employer who employs peace officers, not later than March 1, 2024, to submit the following information to TRS:

(1) the number of peace officers employed by the employer on December 31, 2023;

(2) the number of unfilled peace officer positions on December 31, 2023;

(3) for the 10-year period before December 31, 2023, the average years of service earned by peace officers who resigned before retirement; and

(4) the compensation or salary scale for peace officers employed by the employer.

(d) Requires TRS, not later than December 31, 2024, to prepare and submit a report to the legislature that contains the findings of the study and the information submitted to TRS under Subsection (c).

(e) Requires the Legislative Budget Board and the State Pension Review Board, as necessary, to assist TRS in conducting the study and to provide TRS with any information needed to complete the report required under Subsection (d).

(f) Provides that this section expires on September 1, 2025.

SECTION 2. Effective date: upon passage or September 1, 2023.