88R3550 JCG-D

By:  Dean H.B. No. 1284

A BILL TO BE ENTITLED

AN ACT

relating to the payment of certain employer contributions for retirees of the Teacher Retirement System of Texas who resume service.

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

SECTION 1.  Section 825.408(a), Government Code, is amended to read as follows:

(a)  An [~~Except as provided by Subsection (a-1), an~~] employer that fails to remit, before the seventh day after the last day of a month, all member and employer deposits and documentation of the deposits required by this subchapter to be remitted by the employer for the month shall pay to the retirement system, in addition to the deposits, interest on the unpaid amounts at an annual rate compounded monthly and a late fee in an amount determined by the retirement system that is based on the size of the employer and may not exceed $1,000 for each business day after the deadline imposed by this subsection that the employer fails to submit the documentation of the deposits. The cumulative amount of late fees assessed against an employer under this subsection may not exceed $25,000 per reporting period. The rate of interest is the rate established under Section 825.313(b)(1), plus two percent. Interest and late fees required under this section are creditable to the interest account. On request, the retirement system may grant a waiver of the deadline imposed by this subsection based on an employer's financial or technological resources. The retirement system may establish a process for filing an appeal to reduce or waive a late fee imposed under this subsection.

SECTION 2.  Section 825.4092(e), Government Code, is amended to read as follows:

(e)  The amounts required to be paid under Subsection [~~Subsections (b) and~~] (c) are not required to be paid by a reporting employer for a retiree who retired from the retirement system before September 1, 2005.

SECTION 3.  Section 825.4092(f), Government Code, as added by Chapter 546 (S.B. 202), Acts of the 87th Legislature, Regular Session, 2021, is amended to read as follows:

(f)  A reporting employer is ultimately responsible for payment of the amounts required to be contributed under Subsection [~~Subsections (b) and~~] (c). The employer may not directly or indirectly pass that cost on to the retiree through payroll deduction, by imposition of a fee, or by any other means designed to recover the cost.

SECTION 4.  Section 825.4092(f), Government Code, as added by Chapter 511 (S.B. 288), Acts of the 87th Legislature, Regular Session, 2021, is redesignated as Section 825.4092(g), Government Code, and amended to read as follows:

(g) [~~(f)~~]  Notwithstanding any other provision of this section, the amounts required to be paid under Subsection [~~Subsections (b) and~~] (c) are not required to be paid by a reporting employer for a retiree who retired from the retirement system on or after September 1, 2005, and is employed in a position described by Section 824.6021(a). This subsection expires February 1, 2025.

SECTION 5.  The following provisions of the Government Code are repealed:

(1)  Sections 825.408(a-1) and (a-2); and

(2)  Sections 825.4092(b) and (d).

SECTION 6.  The changes in law made by this Act apply beginning with the 2023-2024 school year.

SECTION 7.  To the extent of any conflict, this Act prevails over another Act of the 88th Legislature, Regular Session, 2023, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 8.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.