BILL ANALYSIS

BACKGROUND AND PURPOSE

For many members of the Teacher Retirement System of Texas (TRS) who retired and subsequently returned to work, employer contributions apply to their service. The costs of these employer contributions, which go to TRS and to the TRS-Care trust fund on the retiree's behalf, are often passed on to the retiree. The costs include the amount of the teacher's paycheck which would usually go to TRS, the amount of the state contribution to TRS, and a health care surcharge that is currently more than $500. It has been suggested that this practice is wrong and hurts retirees. S.B. 202 seeks to make clear that employer contributions are the responsibility of the employer and not the retired teacher.

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

S.B. 202 amends the Government Code to provide that an employer who reports the employment of a retiree to the Teacher Retirement System of Texas (TRS) is ultimately responsible for payment of the employer contributions to TRS and to the TRS-Care trust fund for that retiree, if applicable. The employer may not directly or indirectly pass that cost on to the retiree through any means designed to recover the cost. The bill's changes in law apply beginning with the 2021-2022 school year and apply to a retiree regardless of whether the person retired from employment before, on, or after the bill's effective date.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.