

**SUBJECT:** No state retirement for elected officials convicted of certain crimes

**COMMITTEE:** Pensions, Investments and Financial Services — committee substitute recommended

**VOTE:** 6 ayes — Truitt, Anchia, Legler, Nash, Orr, Veasey  
0 nays  
3 absent — C. Anderson, Creighton, Hernandez Luna

**SENATE VOTE:** On final passage, May 10 — 31-0

**WITNESSES:** (*On House companion, HB 246:*)  
For — None  
Against — None  
On — William (Shack) Nail, Employees Retirement System

**DIGEST:** CSSB 371 would make members of the Legislature and statewide elected officials who are not part of the judicial retirement systems ineligible to receive retirement annuities from the Employee Retirements System (ERS) of Texas if they had been convicted of certain felonies committed while in office that arouse directly from the official duties of elected office.

The bill would apply to persons convicted of:

- bribery;
- embezzlement, extortion, or other theft of public money;
- perjury;
- conspiracy; or
- the attempt to commit any of these crimes.

The retirement system would be required to suspend payments to persons ineligible to receive an annuity under CSSB 371.

Persons who were not eligible to receive retirement payments would be entitled to a refund of their retirement annuity contributions, including interest. A person whose conviction was overturned on appeal, had received a full pardon based on innocence, or had been granted relief based on actual innocence would be entitled to receive the accrued total of payments, with interest, withheld during the suspension period and could resume receiving payments upon repayment of any contributions they were refunded.

Benefits payable to an alternate payee, such as a spouse or child, who was recognized under a domestic relations order established before September 1, 2011, would not be affected by a person's ineligibility to receive a retirement annuity under CSSB 371. Ineligible for a retirement annuity under the bill would not affect a person's receipt of other retirement benefits.

The bill also would repeal an obsolete 1921 provision in the civil statutes that makes certain persons not entitled to a pension, including persons confined in state asylums, state penitentiaries, and those leaving the state for certain periods.

The bill would take effect September 1, 2011. It would apply only to members of the Employees Retirement System who are or were members of the Legislature or who hold or have held a statewide elected office and on or after the bill's effective date committed a felony listed in the bill.

**NOTES:**

The House committee substitute added provisions to the Senate-passed version of the bill, including allowing someone whose conviction was overturned to resume receipt of annuity payments upon repayment of any contribution that was refunded to them and allowing interest on contributions to be included if a person not eligible to receive retirement benefits was refunded their contributions.

The companion bill, HB 246 by Johnson, was considered in a public hearing on March 29 and was reported favorably, as substituted, by the House Pensions, Investments and Financial Services Committee on April 12.