

**SUBJECT:** Preventing the loss of benefits for TRS retirees who return to work

**COMMITTEE:** Pensions, Investments and Financial Services — favorable, without amendment

**VOTE:** 9 ayes — Anchia, Parker, Capriglione, Muñoz, Perez, Rogers, Slawson, Stephenson, Vo  
0 nays

**SENATE VOTE:** On final passage, April 19 — 31-0, on Local and Uncontested Calendar

**WITNESSES:** None

**BACKGROUND:** Under Government Code sec. 824.601, a retiree of the Teacher Retirement System of Texas whose effective date of retirement was after January 1, 2011, is not entitled to service or disability retirement benefit payments for any month in which the retiree is employed in any position by a Texas public educational institution. Section 824.602 provides certain exceptions for retirees to continue receiving their benefit payments while employed at a Texas public educational institution.

**DIGEST:** SB 288 would prohibit the Teacher Retirement System of Texas (TRS) from withholding a monthly benefit payment for an eligible retiree who qualified for an exception for returning to work in a Texas public educational institution unless:

- TRS issued a written warning regarding the first occurrence of the retiree's employment that did not qualify for the exception, notifying the retiree of that fact; and
- in a month following the month in which TRS issued that warning and with respect to a subsequent occurrence of the retiree's continued employment that did not qualify for the exception, TRS issued a written notice warning the retiree of the subsequent occurrence and required the retiree to pay to TRS either the amount earned for all employment by Texas public educational institutions

or the amount received in retirement benefit payments for each month occurring after the issuance of the warning and before the month TRS began withholding benefit payments.

TRS would have to prescribe the form and manner in which the payments would be made and would have to adopt rules to implement the bill as soon as practicable after the effective date of the bill.

The bill would take effect September 1, 2021, and would apply only to the employment of a retiree on or after that date.

**SUPPORTERS  
SAY:**

SB 288 would help retired teachers return to work without violating state return-to-work restrictions by offering them adequate warning and a chance to correct their actions. Texas laws allow retired educators to work in a public educational institutions under certain circumstances, but the laws can be confusing for retirees to understand. School districts that hire teacher retirees may not be tracking their hours to remind them not to exceed the cap that can cause them to lose their retirement pay. The bill would help school districts facing shortages of teachers and other school employees, such as bus drivers, properly rehire experienced employees without jeopardizing the employees' retirement benefits.

The Teacher Retirement System (TRS) reports that repeat violations are common among retirees who have returned to work. The bill would provide a warning that a retiree was in violation. For subsequent violations, a retiree would pay a penalty of either the amount they earned in benefits or the amount earned through employment. If a retiree continued to exceed the statutory limitations on employment, monthly benefits could be withheld as currently provided for in the Government Code. An actuarial analysis by the Legislative Budget Board concluded that the additional time associated with providing a warning prior to a potential loss of benefits is not expected to have a significant impact on the actuarial soundness of TRS.

**CRITICS  
SAY:**

No concerns identified.

NOTES: The House companion bill, HB 2109 by Wu, was considered by the House Pensions, Investments and Financial Services Committee in a public hearing on April 7, reported favorably on April 9, and sent to the Calendars Committee.