

## **BILL ANALYSIS**

Senate Research Center

H.B. 475  
By: Craddick (Sponsor)  
State Affairs  
4-30-97  
Engrossed

### **DIGEST**

Currently, participants in the Teacher Retirement System of Texas may elect in lieu of the standard retirement benefit an optional lifetime retirement plan that provides an annuity for a beneficiary after the retiree dies. The beneficiary is designated at the time the participant retires and cannot be altered, including by court order in a divorce decree. This bill will set forth provisions for revocation of beneficiary designation under certain retirement benefit options.

### **PURPOSE**

As proposed, H.B. 475 sets forth provisions for revocation of beneficiary designation under certain retirement benefit options.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the Teacher Retirement System of Texas in SECTION 1 (Section 824.1012(c), Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 824B, Government Code, by adding Section 824.1012, as follows:

Sec. 824.1012. REVOCATION OF BENEFICIARY DESIGNATION FOR CERTAIN RETIREMENT BENEFIT OPTIONS. (a) Authorizes certain retirees, as an exception to Section 824.101(c), to revoke the designation of the beneficiary to receive the annuity on the death of the retiree, if a court in a divorce proceeding involving the retiree and beneficiary approves or orders the revocation in the divorce decree or acceptance of a property settlement. Provides that the revocation takes effect when the Teacher Retirement System (retirement system) receives it.

(b) Provides that a revocation described by Subsection (a) cancels the optional annuity selection made by the retiree, effective with the beginning of payments of the annuity as recomputed under this subsection. Provides that the retiree is entitled to receive payments of a standard service or disability retirement annuity, as applicable, reduced for early retirement, as applicable beginning with the payment for the month after the month in which the retirement system receives the notice of revocation and ending on the death of the retiree.

(c) Authorizes the retirement system, by rule, to establish requirements for forms, documentation, and procedures necessary for the administration of this system.

SECTION 2. Emergency clause.  
Effective date: upon passage.