

BILL ANALYSIS

Senate Research Center
76R11407 GCH-F

H.B. 2152
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State Affairs
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Engrossed

DIGEST

The Texas County and District Retirement System (TCDRS) is the statewide system that administers retirement, disability, and death benefits for employees of counties and districts that elect to participate in TCDRS. Some participants in TCDRS have financial needs that may be alleviated by having a lump-sum of money distributed to the participant upon retirement. H.B. 2152 would authorize a partial-lump sum distribution option for an employee who is eligible for service retirement.

PURPOSE

As proposed, H.B. 2152 authorizes a partial-lump sum distribution option for an employee who is eligible for service retirement from the Texas County and District Retirement System.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 844, Government Code, by adding Section 844.009, as follows:

Sec. 844.009. PARTIAL LUMP-SUM DISTRIBUTION ON SERVICE RETIREMENT. (a) Establishes that this section applies to all subdivisions that elect after December 1, 1999, to begin participation in the Texas County and District Retirement System (TCDRS). Authorizes the governing body of any subdivision participating as of December 31, 1999, to adopt the provisions of this section. Sets forth the terms under which the governing body may adopt the provisions.

(b) Authorizes a member of TCDRS who is eligible and applies for service retirement to simultaneously apply for a partial-lump sum distribution.

(c) Prohibits the amount of the lump-sum distribution from exceeding 100 percent of the total contributions and accumulated interest in the member's individual account in the employees saving fund attributable to the member's credited service.

(d) Provides that the lump-sum distribution will be made as a single payment paid at the same time as the first monthly annuity payment.

(e) Establishes that a member's basic annuity is the annuity actuarially determined from the sum remaining after deducting the amount of the lump sum distribution.

(f) Provides that the amount of a lump-sum distribution is considered to be an annuity payment for the purpose of determining whether the amount in the retiree's individual account in the employees saving fund exceeds the total amount of annuities made.

(g) Authorizes a member's guardian, attorney in fact, conservator, or trustee to make an application for a partial lump-sum distribution.

(h) Authorizes no portion of a benefit awarded to an alternate payee under a qualified domestic relations order to be distributed in the form of a lump sum, with an exception. Authorizes the amount of a lump-sum distribution described in a written agreement between a member and an

alternate payee to be paid directly to the alternate payee if the agreement stipulates that the alternate payee will receive the lump-sum payment instead of benefits awarded under the qualified domestic relations order. Provides that such a payment is in complete satisfaction of the alternate payee's marital property rights and interest in the member's benefit.

(i) Provides that Section 842.110(h) does not apply to a person who receives a partial lump-sum payment unless the person receives the payment as an alternate payee under Subsection (h).

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.