

BILL ANALYSIS

Senate Research Center

H.B. 2344
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Education
5/13/1999
Engrossed

DIGEST

Current law does not require a public school district to deposit funds for an employee's annuities, investments, or deferred compensation within any specific time frame. H.B. 2344 requires those funds to be deposited in an employee's account within three days after the funds become legally available. It also requires the deposits to be made by electronic transfer, if possible.

PURPOSE

As proposed, H.B. 2344 authorizes certain employees of public schools to transfer funds to optional retirement programs.

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 Section Chapter 22, Article 6228a-5, V.T.C.S., by adding Section 4, as follows:

Sec. 4. Requires local boards of education (board) of the public schools to send an employee's funds covered under Section 1 of this Act to the employee's designee not later than the fifth day after the date the funds become legally available. Requires boards to take certain action. Requires boards to give notice to each participating employee indicating whether the employee's designee is able to receive funds by electronic transfer.

SECTION 2. Amends Chapter 609B, Government Code, by adding Section 609.1085, as follows:

Sec. 609.1085. INVESTMENT OF DEFERRED AMOUNTS AND INCOME BY INDEPENDENT SCHOOL DISTRICTS. Requires the plan administrator of an independent school district (administrator) to send an employee's deferred amount of investment income for investment in the employee's qualified investment product not later than the fifth day after the date the deferred amount or investment income becomes legally available. Requires the administrator of an independent school district to give notice to each participating employee indicating whether the employee's qualified investment product is able to receive the employee's deferred amounts or investments income by electronic transfer.

SECTION 3. Effective date: September 1, 1999.

SECTION 4. Emergency clause.