

BILL ANALYSIS

Senate Research Center
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S.B. 342
By: Ogden
Intergovernmental Relations
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As Filed

DIGEST

Currently, Texas law requires a person to terminate employment with all participating subdivisions in the Texas County and District Retirement System (TCDRS) before the person is eligible for service retirement. If a person does terminate all such employment and retire, Section 842.111, Texas Government Code, provides that the person may subsequently go to work for another subdivision while continuing to receive an retirement annuity from the prior employer, as long as the person remains unemployed by TCDRS for a 30-day period between jobs within the system. This bill would allow a person to collect retirement benefits from the prior employer without having to be unemployed for a period of time between jobs in the TCDRS, under certain conditions. This bill would also allow individuals who changed employing subdivisions after January 1, 1998, while eligible for service retirement to retire as if the requirements of Section 844.003(d), Government Code, had been in effect on January 1, 1998.

PURPOSE

As proposed, S.B. 342 establishes provisions regarding retirement under 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 Section 844.003, Government Code, by amending Subsection (a) and adding Subsection (d), to authorize a member of the Texas County and District Retirement System (member) who is eligible for service retirement on the day the member terminates employment with a participating subdivision to apply for and receive a service retirement annuity despite the fact that the member becomes an employee of another participating subdivision. Prohibits service and compensation for service with the member's new employer to be used in determining eligibility for the annuity. Establishes the effective date of the retirement, and prohibits that date from being later than the last day of the third month following the month in which a member begins employment with the new employer. Provides that a person who retires under this subsection is considered for all purposes to be a retiree who resumes service with a different employer under Section 842.111. Makes conforming changes.

SECTION 2. (a) Makes application of this Act retroactive to January 1, 1998, providing the application is received by January 1, 2000. Establishes that the effective date of retirement of an eligible person who makes a timely application under this subsection is the last day of the month in which the member resigned from employment with the subdivision.

(b) Establishes that the amount of service retirement annuity payable under this section will be determined under the plan's terms and conditions in effect the last day of the month in which the member resigned from employment with the subdivision. Requires the retirement system to pay all unpaid annuity payments in a single sum.

SECTION 3. Emergency clause.
Effective date: upon passage.