

BILL ANALYSIS

Senate Research Center
77R929 GJH-D

S.B. 273
By: Armbrister
Education
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As Filed

DIGEST AND PURPOSE

As proposed, S.B. 273 increases the retirement benefit multiplier and annuity payments for certain individuals. The “return to work” provision for certain retirees is waived for those who return to teaching in an area with an acute teaching shortage. The confidentiality of certain records is clarified and the Open Records Act is amended to conform the confidentiality of Teacher Retirement System (TRS) member’s records to that of member’s records in the Employees Retirement System. The TRS board of trustees is required to create a list of retirement investments for local employee’s voluntary participation. TRS is required to remit monthly deposits and reporting data submitted to it by local school districts before the 4th day after the last day of each month to conform with Internal Revenue Service reporting requirements. Clarifies that optional insurance coverage is not subject to premium tax.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of trustees of the Teacher Retirement System of Texas in SECTION 7 (Article 6228a-5, V.T.C.S.) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 803.402, Government Code, to delete wording relating to an exception to the confidentiality of records of members and beneficiaries of the Teacher Retirement System of Texas (TRS).

SECTION 2. Amends Sections 824.203(a) and (e), Government Code, to provide that the standard service retirement annuity is a specified amount times 2.3, rather than 2.2, percent for each year of service credit in the retirement system. Makes a conforming change.

SECTION 3. Amends Section 825.408(a), Government Code, to require an employing district to remit all member and employer deposits and documents of deposits by the fourth, rather than the 11th, day after the last day of the month, or pay to the retirement system, in addition to the deposits, interest on the unpaid or undocumented amounts at an annual rate compounded monthly.

SECTION 4. Amends Section 825.507, Government Code, as follows:

Sec. 825.507. New heading: RECORD CONFIDENTIALITY.

SECTION 5. Amends Sections 825.507(a)-(d), Government Code, to provide that certain records in the custody of TRS or of an administrator, carrier or other governmental agency acting with or on behalf of TRS are confidential and not subject to public disclosure and are exempt from public access as provided in Chapter 552, except as otherwise provided by this section. Authorizes TRS to release records to certain people. Provides that the records of a member, retiree, annuitant, beneficiary, or alternate payee remain confidential after release to a person as authorized by this section. Provides that this section does not prevent the disclosure of information that does not identify a specific person. Deletes wording relating to the designation of employees of TRS by the executive director to make

necessary determinations under Subsection (a). Deletes wording relating to the determinations and disclosure under Subsection (a).

SECTION 6. Prohibits TRS from withholding a monthly benefit payment from a specific retiree, notwithstanding Section 824.601, Government Code.

SECTION 7. Amends Article 6228a-5, V.T.C.S., by adding Section 4, as follows:

Sec. 4. Defines “educational institution.” Requires each educational institution to offer the annuities and investments offered under Section 1 of this Act and those approved by the board of trustees of TRS under Subsection (c) of this section. Requires the board of trustees of TRS to create a list of retirement investments to offer employees. Requires employees who participate in the program offered under this section, to the extent possible, to make contributions to investments by automatic payroll deduction, directly deposited in the investment accounts. Grants rulemaking authority to the board of trustees of TRS to administer this section.

SECTION 8. Amends Section 16(h), Article 3.50-4, Insurance Code, to make a conforming change.

SECTION 9. Amends Article 3.50-4a, Insurance Code, as added by Chapter 372, Acts of the 76th Legislature, Regular Session, 1999, to provide that a premium or contribution on a policy, insurance contract, or agreement authorized by this article is not subject to any state tax, regulatory fee, or surcharge.

SECTION 10. Amends Article 3.50-4a, Insurance Code, as added by Chapter 1540, Acts of the 76th Legislature, Regular Session, 1999, by adding Section 6, as follows:

Sec. 6. EXEMPTION FROM STATE TAXES AND FEES. Provides that a premium or contribution on a policy, insurance contract, or agreement authorized by this article is not subject to any state tax, regulatory fee, or surcharge.

SECTION 11. Provides that monthly payments of a death or retirement benefit annuity by TRS are increased in accordance with this section beginning with the payment due at the end of September 2001. Exempts payment under Section 824.304(a), 824.404, or 824.501, Government Code. Provides that monthly payments of annuities for retirees who retire on or before August 31, 2000, the amount of the monthly payment is equal to the amount of the last monthly payment before September 1, 2001 multiplied by 1.06. Requires TRS to increase the monthly payment of each annuity made by the system beginning September 1, 2001, after making required computations, by 4.5 percent, except for annuities under Section 824.304(a), 824.404, or 824.501, Government Code.

SECTION 12. Effective date: September 1, 2001.