

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 372
By: Barrientos
State Affairs
4/18/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

The Texas Proportionate Retirement System (system) was created in 1981 in recognition of the increased mobility of public employees transferring among governmental entities. C.S.S.B. 372 amends provisions relating to the system to allow employees of a participating retirement system to re-establish service credit that was previously canceled in certain other participating systems without returning to the system from which the employee withdrew service credit.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 803C, Government Code, by adding Section 803.203, as follows:

Sec. 803.203. REESTABLISHMENT OF SERVICE CREDIT BY FORMER MEMBER.

(a) Authorizes a person who is a member of a retirement system participating in the program provided by this chapter, except as provided by Subsection (g), to reestablish service credit, including prior service credit if applicable, previously canceled in another retirement system that is participating in the program provided by this chapter if the person meets certain criteria.

(b) Authorizes a person to apply to reestablish service credit under this section by filing an application with the retirement system in which the service was originally credited and a certification that the applicant is currently a member of the certifying system.

(c) Requires the retirement system in which the service credit was originally credited, except as provided by Subsection (f), to grant the service credit after receiving an application and certification required by Subsection (b) and other certain items under certain conditions.

(d) Authorizes a subdivision participating in the Texas County and District Retirement System under Chapter 844H, or a municipality participating in the Texas Municipal Retirement System to make a one-time election to authorize the reestablishment of service credit under this section by payment by an applicant of a contribution in the amount provided by Section 843.003 or 853.003, as applicable, for reestablishment of service credit generally in the particular system. Provides that if a subdivision or municipality makes election under this subsection, the applicant has the choice of reestablishing service credit under Subsection (c)(2), (c)(3), if applicable, or this subsection.

(e) Authorizes service credit reestablished in the Texas County and District Retirement System or the Texas Municipal Retirement System under Subsection (c)(2) to be used only to meet eligibility requirements for benefits. Provides that service credit

reestablished in either system under Subsection (c)(3) or (d) has the same value as service credit performed for the particular subdivision or municipality at the time of deposit. Provides that the credit is creditable to the member's and employer's accounts in each subdivision or municipality for which the service was performed.

(f) Requires a person, to reestablish service credit in a public retirement system for municipal employees that has elected under Section 803.101(f) to participate in the program provided by this chapter, to pay the actuarial present value, as determined by the appropriate system, of the additional standard service retirement benefits that would be attributable to the credit. Requires a person who is a member only of a system that has made an election under Section 803.101(f) to pay the actuarial present value, as determined by the appropriate system, of the additional standard service retirement benefits that would be attributable to the service credit to be reestablished in any other public retirement system participating in the program provided by this chapter.

(g) Prohibits service credit from being reestablished under this section under certain conditions.

SECTION 2. Effective date: January 1, 2002.

SUMMARY OF COMMITTEE CHANGES

SECTION 1. Differs from the original by amending previously proposed provisions regarding the procedures and eligibility for reestablishment of service credit by certain persons.

Deletes previously proposed SECTION 2 which amended Section 803.103, Government Code, and rennumbers previously proposed SECTION 3 as SECTION 2 with the following change:

SECTION 2. Differs from the original by changing the effective date of this Act from upon passage or September 1, 2001, to January 1, 2002.