

BILL ANALYSIS

Senate Research Center
79R4061 SGA-F

H.B. 633
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State Affairs
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, if an employee who is a member of the Texas County and District Retirement System does not return to work within 900 hours, there is a suspension of benefits, which often causes complications when retirees are rehired. There are statutory requirements that must be met to enter the program and which, to some extent, mandate participation. Further, there is a requirement of increments of 25 percent for matching rates in benefit design and limited room for cost-of-living adjustments.

H.B. 633 simplifies employee participation in the Texas County and District Retirement System by allowing each employer to decide whether an employee should be required to participate, regardless of hours worked. H.B. 633 revises the definition of political subdivisions authorized to participate, prohibits separate participation of subgroups of an employer, and establishes a process whereby districts can freeze, discontinue, or fully fund benefits. This bill improves income allocation by allowing board authority for the use of general reserves. Further, H.B. 633 helps with benefit design and cost-of-living adjustments by allowing flexibility to meet the objective of overall employee benefits strategies. Finally, H.B. 633 establishes statutory provisions consistent with the provisions currently within the Administrative Code.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of trustees of the Texas County and District Retirement System in SECTION 5 (Section 842.0075, Government Code), SECTION 6 (Section 842.051, Government Code), and SECTION 9 (Section 842.107, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 75.112(c), Government Code, to provide that a senior district court judge appointed under this subchapter who is not a retiree of the Texas County and District Retirement System (retirement system) is subject to the conditions for membership in that retirement system during the period the appointment is in effect that are provided by Section 842.107 (Exception to General Membership Requirement), rather than Sections 842.201, 842.202, and 842.203.

SECTION 2. Amends Sections 841.001(8) and (17), Government Code, to redefine "employee" and "subdivision."

SECTION 3. Amends Subchapter A, Chapter 841, Government Code, by adding Section 841.0051, as follows:

Sec. 841.0051. VENUE. (a) Provides that the venue of any action brought against the retirement system in a state court or before the State Office of Administrative Hearings is in Travis County.

(b) Provides that the venue of any action brought in a state court by the retirement system is in Travis County or in the county in which the defendant is situated, domiciled, or does business.

SECTION 4. Amends Section 841.010(b), Government Code, to change the required schedule of a participant's vested interest distribution to not later than the required beginning date as

determined in accordance with Section 401(a)(9) of the Internal Revenue Code of 1986 and the regulations adopted under that provision, rather than April 1 following the later of the year in which the participant attains age 70-1/2 or the year in which the participant separates from service with all participating subdivisions.

SECTION 5. Amends Subchapter A, Chapter 842, Government Code, by adding Section 842.0075, as follows:

Sec. 842.0075. ASSUMPTION BY SUCCESSOR SUBDIVISION. (a) Authorizes the governing body of a participating subdivision, with the consent of the board of trustees and on terms approved by the board, to assume the subdivision account and pension liabilities of a subdivision that no longer exists, is in the process of dissolution, is changing its operational form, or no longer has employees. Prohibits the account and pension liabilities of a subdivision described by this subsection from being assumed if the subdivision has executed a voluntary termination agreement under certain circumstances.

(b) Authorizes the governing body of the assuming subdivision, subject to any limitation set by the board of trustees, to exercise any authority with respect to plan provisions applicable to members and annuitants of the subdivision plan being assumed that the governing body of that subdivision could have exercised.

(c) Provides that, except as otherwise provided by this section, all retirement plan provisions in effect on the assumption date remain in effect until changed by the governing body of the assuming subdivision.

(d) Provides that, as of the assumption date, the account in the subdivision accumulation fund being assumed and the account of the assuming subdivision will be treated as one account for the purposes of receiving allocations under this subtitle and paying benefits accrued with respect to either subdivision.

(e) Provides that the retirement system is not liable to any person for any claim or loss of benefits resulting from the assumption by another participating subdivision of the account and pension liabilities of a subdivision described by Subsection (a).

(f) Authorizes the board of trustees, by rule, to establish standards, definitions, and procedures it considers necessary to administer this section and requires the board to take reasonable actions and exercise its discretion in a fair and equitable manner on a case-by-case basis to preserve accrued benefits.

SECTION 6. Amends Chapter 842, Government Code, by adding Subchapter A-1, as follows:

SUBCHAPTER A-1. TERMINATION OF PARTICIPATION BY SUBDIVISIONS

Sec. 842.051. GENERAL PROVISIONS. (a) Provides that, notwithstanding any provision of this subchapter to the contrary, to the extent required by applicable provisions of the Internal Revenue Code of 1986, on termination of a subdivision's participation in the retirement system or on complete discontinuance of contributions, each member becomes fully vested in the member's accrued benefit with respect to the subdivision to the extent funded as of the date of termination or contribution discontinuance.

(b) Provides that the retirement system is not liable to any person for any claim or loss of benefits resulting from the termination of a subdivision's participation in the system or the failure of a subdivision to make required contributions or payments under a termination agreement.

(c) Authorizes the board of trustees, by rule, to establish standards, definitions, and procedures it considers necessary to administer this subchapter and requires the board to take reasonable actions and exercise its discretion in a fair and equitable manner on a case-by-case basis to preserve accrued benefits.

Sec. 842.052. VOLUNTARY TERMINATION OF PARTICIPATION. (a) Authorizes a subdivision other than a county, with the consent of the board of trustees, to voluntarily terminate its participation in the retirement system if the subdivision agrees to be contractually and legally bound, on terms approved by the board, to fund certain benefits and annuities.

(b) Prohibits additional employee contributions or deposits, beginning with the date specified in the termination agreement, from being made to a member's account and any additional service with the subdivision from being credited to a member, except as authorized by the board. Provides that all other retirement plan provisions remain in effect.

(c) Provides that, beginning with the date specified in the termination agreement, the subdivision's account in the subdivision accumulation fund ceases to receive allocations under this subtitle for any prior, current, or future plan year, except as authorized by the board.

(d) Provides that, on full performance of the termination agreement, the subdivision is released from all liability for its accrued benefits and supplemental annuities. Requires the retirement system to make transfers from the subdivision's account to the appropriate funds within the system in amounts actuarially equivalent to the accrued benefits and supplemental annuities. Requires the retirement system to pay any amounts remaining in the subdivision's account after satisfaction of all the subdivision's pension liabilities to the subdivision or its successor in interest in accordance with Section 845.317(b) (Payment to Formerly Participating Subdivision).

(e) Provides that, on full performance of the termination agreement, each member who has not received a refund of accumulated contributions becomes fully vested in the member's accrued benefits with respect to the subdivision and is immediately eligible to retire with a service retirement annuity or to take a distribution of the accrued benefits in a lump sum, regardless of age, service, or employment.

(f) Provides that a member vested under Subsection (e) or Section 842.051(a) is an eligible member under Section 844.407 (Survivor Annuity Death Benefit) and that, for the purpose of determining any death benefit payable under Section 844.402 (Return of Excess Contributions), the member's individual account consists only of the deposits and contributions made by the member and the accumulated interest attributable to those amounts.

Sec. 842.053. INVOLUNTARY TERMINATION OF PARTICIPATION. (a) Authorizes the board of trustees by order to terminate the participation of a subdivision other than a county if the board determines that certain outcomes have occurred.

(b) Prohibits additional employee deposits or contributions, beginning with a date specified by the board, from being made to a member's account with the subdivision and prohibits additional service with the subdivision from being credited to a member, except as authorized by the board. Provides that all other retirement plan provisions remain in effect.

(c) Provides that, beginning with a date specified by the board, the subdivision's account in the subdivision accumulation fund ceases to receive allocations under this subtitle for any prior, current, or future plan year except as authorized by the board.

(d) Requires the retirement system, beginning with a date specified by the board, to value the accrued benefits and supplemental annuities with respect to the subdivision's participation as immediately payable under this subchapter. Provides that, if the assets in the subdivision's account exceed the actuarial equivalent value of pension benefits, the subdivision is released from all liability

with respect to the accrued benefits and supplemental annuities. Requires the retirement system to make transfers from the subdivision's account to the appropriate funds within the system in amounts actuarially equivalent to all accrued benefits and supplemental annuities and to pay any amount remaining in the subdivision's account after satisfaction of all the subdivision's pension liabilities to the subdivision or its successor in interest in accordance with Section 845.317(b).

(e) Authorizes the subdivision or its successor in interest, if the actuarial equivalent value of pension benefits exceeds the assets in the subdivision's account, to make a contribution in any amount to the subdivision's account. Requires the retirement system to transfer the assets of the subdivision's account in the subdivision accumulation fund to appropriate funds within the system and allocate the assets as provided by Sections 842.054-842.057.

Sec. 842.054. CLASS A. Requires the retirement system, in a case of involuntary termination under Section 842.053, to make a proportionate transfer to the individual account of each member of the subdivision eligible to retire based on the ratio that the member's current service credit bears to the total current service credit of the class. Prohibits the transfer to a member's individual account from exceeding 100 percent of the member's current service credit

Sec. 842.055. CLASS B. Sets forth requirements for transferring any assets that remain after the transfers are made under Section 842.054.

Sec. 842.056. CLASS C. Sets forth requirements for transferring any assets that remain after the transfers are made under Sections 842.054 and 842.055.

Sec. 842.057. CLASS D. Sets forth requirements for transferring any assets that remain after the transfers are made under Sections 842.054, 842.055, and 842.056.

Sec. 842.058. BENEFITS. (a) Provides that, after the transfers, allocations, and any necessary reductions described by Sections 842.054-842.057 have been made, each member who has not received a refund of accumulated contributions becomes fully vested in the member's accrued benefits with respect to the subdivision to the extent funded and is immediately eligible to retire with a service retirement annuity or to take a distribution of the accrued benefits in a lump sum, regardless of age, service, or employment.

(b) Provides that a member vested under this section or Section 842.051(a) is an eligible member under Section 844.407 (Survivor Annuity Death Benefit). Provides that, for the purpose of determining any death benefit payable under Section 844.402 (Return of Excess Contributions), the member's individual account consists only of the deposits and contributions made by the member and the accumulated interest attributable to those amounts.

SECTION 7. Amends Sections 842.101(a) and (b), Government Code, as follows:

(a) Provides that, except as otherwise provided by this subchapter, a person who is not a member becomes a member of the retirement system on the latest of certain dates, including January 1, 2006, if the person is an employee of a participating subdivision on that date and was previously excluded from retirement system membership. Deletes existing text relating to specific membership eligibility dates. Makes nonsubstantive changes.

(b) Provides that, except as otherwise provided by this subtitle, the rights and benefits of a member are determined separately with respect to each subdivision with which the member has credited service. Deletes existing text relating to dates a member becomes part of the retirement system.

SECTION 8. Amends Section 842.105, Government Code, to provide that a person has the standing of an employee in a participating subdivision if the person is an employee, other than a temporary employee, of a community supervision and corrections department that has executed a contract with the participating subdivision under Section 76.006 (Employee Status and Benefits), Government Code. Deletes existing text relating to the status of an employee.

SECTION 9. Amends Section 842.107, Government Code, as follows:

Sec. 842.107. New heading: **OPTIONAL MEMBERSHIP.** (a) Authorizes a subdivision to authorize to be a member of the retirement system a person who is accruing benefits in another statewide retirement system for service in another capacity during the same period the person is receiving supplemental compensation from the subdivision.

(b) Authorizes the board, by rule, to establish reasonable restrictions and limitations on the granting of membership and service credit under this section. Deletes existing text relating to the membership of new personnel.

SECTION 10. Amends Section 842.108, Government Code, by amending Subsections (a) and (c) and adding Subsection (a-1), as follows:

(a) Authorizes a person, or the beneficiary of a person, whose membership terminated before January 1, 2005, as a result of absence from service to submit an application to withdraw all of the person's accumulated contributions attributable to the terminated membership.

(a-1) Provides that the accumulated contributions attributable to a terminated membership described by Subsection (a) are held by the retirement system in a noninterest-bearing account and prohibits the accumulated contributions from being considered deposits under Section 843.003 (Reestablishing Credited Service and Service Credit Previously Forfeited) or 843.0031 (Alternative Reestablishment of Credited Service Previously Forfeited; Option to Pay Lump-Sum Amount) until the person meets certain requirements.

(c) Sets forth guidelines for computing interest in a terminated member's individual account. Deletes existing text relating to previous calculation methods.

SECTION 11. Amends Sections 842.109(a) and (b), Government Code, as follows:

(a) Sets forth situations that constitute a termination of membership in the retirement system. Deletes existing text relating to absence from service.

(b) Prohibits a person's membership in the retirement system from extending beyond the required beginning date determined in accordance with Section 841.010 (Distribution of Requirements). Deletes existing text relating to limitations for membership.

SECTION 12. Amends Section 842.110, Government Code, as follows:

Sec. 842.110. New heading: **RESUMPTION OF SERVICE BY RETIREE.** (a) Sets forth requirements for resuming membership in the retirement system after having retired with a service retirement annuity based on a bona fide termination of employment.

(b) Sets forth terms for resuming membership in the retirement system for a person who resumes employment with the same subdivision but does not meet the requirements of Subsection (a).

(c) Provides that a membership established under the requirements of Subsection (a) is considered to be a new membership for the purposes of beneficiary determinations and benefit selections.

- (d) Sets forth requirements for applying for and receiving an additional standard or optional service retirement annuity or a refund of accumulated contributions.
- (e) Authorizes a person, on the death of a member who meets the requirement of Subsection (d), to apply for and receive an optional service retirement annuity or a refund of accumulated contributions.
- (f) Provides that the waiver of age or credited service requirement under this section does not apply to a person who becomes eligible to retire solely as a result of a subdivision's termination of participation under Subchapter A-1, Chapter 842. Deletes exiting text of Section 842.110.

SECTION 13. Amends Subchapter B, Chapter 842, Government Code, by amending Section 842.112 and adding Section 842.113, as follows:

Sec. 842.112. CORRECTION OF ERRORS. (a) Authorizes the retirement system to correct an error, rather than any administrative or operational error, caused by an act or omission of the retirement system by any appropriate means. Deletes existing text relating to Internal Revenue Service guidelines.

- (b) Provides that, if an act or omission of a participating subdivision causes a person to receive more or less credited service, service credit, or benefits than the person is entitled to receive, the correction of the error is the responsibility of the subdivision.
- (c) Authorizes an error caused by an act or omission of a participating subdivision to be corrected by certain means.
- (d) Sets forth requirements for a written notice to the retirement system or appropriate subdivision specifically describing an error that a person is seeking to have corrected.
- (e) Sets forth guidelines for handling an error caused by an act of a third person.
- (f) Provides that the retirement system is not liable for any payments made before the date the system receives credible evidence of an erroneous payment and that any payments made before that date are a complete discharge of the system's responsibility for those payments and benefits.
- (g) Provides that a recipient who receives a payment to which the recipient is not entitled holds that payment in constructive trust for the person entitled to the payment.

Sec. 842.113. JUDGMENTS, ORDERS, AND SETTLEMENT AGREEMENTS. (a) Creates subsection from existing text. Provides that, if, as a result of a suit against a participating subdivision in a court of competent jurisdiction or as a result of a complaint or grievance against a participating subdivision filed with the United States Equal Employment Opportunity Commission, the civil rights division of the Texas Workforce Commission, rather than the Commission on Human Rights, or a county civil service commission, a judgment or order is issued or a settlement agreement is executed, the terms of which require that a person's membership record be adjusted with respect to the person's account balance, service credit, or credited service, the retirement system shall make appropriate adjustments if certain conditions apply. Deletes existing text related to receiving back pay.

- (b) Prohibits the retirement system from implementing an order, judgment, or settlement agreement in a manner that would grant a person a status, right, or benefit not otherwise available under this subtitle.
- (c) Authorizes the retirement system to seek, or require the parties to seek, clarification or modification of any judgment or order if the director determines

that the terms of the judgment, order, or agreement are unclear or cannot be feasibly implemented by the system.

SECTION 14. Amends Section 843.103, Government Code, to omit the requirement for a member to file a detailed statement of prior service credit with the treasurer or other disbursing officer of the subdivision for which the service was performed.

SECTION 15. Amends Sections 843.601(c) and (f), Government Code, as follows:

(c) Deletes the requirement that a member cannot receive federal retirement benefits from time spent in military duty before becoming an employee of the subdivision in order to have membership in the retirement system.

(f) Prohibits credited service, rather than credit, from being established under this section for any month of service that is credited under another section of this subtitle or by another retirement system or program established or governed by state law.

SECTION 16. Amends Section 844.002(c), Government Code, to provide that a supplemental annuity is an amount payable from the subdivision accumulation fund, subject to reduction under Section 842.054 (Class A), 842.055 (Class B), 842.056 (Class C), 842.057 (Class D), rather than 842.008(d), 842.009(d), 842.010(c), or 845.307(c) (Subdivision Accumulation Fund), and is actuarially determined from the sum of certain credits.

SECTION 17. Amends Section 844.003(d), Government Code, to provide 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 842.110 (Resumption of Service with the Same Employer by Retiree), rather than 842.111.

SECTION 18. Amends Section 844.208(b), Government Code, to set forth guidelines for computing the amount of annuity increase and to specify that one of the multipliers is a fraction, specified by the governing body, that should be not less than 30 percent nor more than 100, rather than 80, percent and is a multiple of 10 percent.

SECTION 19. Amends Section 844.209(c), Government Code, to prohibit the specified percentage increase from exceeding the percentage established by the board of trustees as the maximum allowable percentage increase.

SECTION 20. Amends Section 844.408(b), Government Code, to make a conforming change.

SECTION 21. Amends Section 844.703, Government Code, by adding Subsection (i), to require a participating subdivision that has experienced or is anticipating circumstances that cause employer contributions based on covered payroll to be an unreasonable method of funding to contribute in an actuarially approved method that is reasonable to regularly and consistently fund all of its pension liabilities in the retirement system.

SECTION 22. Amends Sections 844.704(a), (b), and (d), Government Code, as follows:

(a) Sets forth guidelines for selecting a percentage for determining multiple matching credits of zero or any percentage that is a multiple of five percent and that does not exceed 150 percent, rather than selecting a percentage of 0, 25, 50, 75, 100, 125 or 150 percent. Authorizes the governing body to later increase the percentage used in determining multiple matching credits under Section 843.403 (Determination of Current Service Credit and Matching Credit) to any percentage that is multiple of five percent to take effect on the next January 1 after the date the increase is adopted, except that the sum of the percentage for current service credits under Section 843.403 and the percentage for multiple matching credits is prohibited from exceeding 250 percent. Sets forth guidelines for explaining that increased percentages will be used in determining multiple matching credits both prospectively and retroactively. Authorizes the governing body to thereafter reduce, rather than increase, the percentage used in determining multiple matching credits for contributions made after the effective date of the reduction to zero or any percentage that is a multiple of five percent, to take effect on the next

January 1 after the date of the reduction, rather than increase. Deletes existing text related to service credit percentages in excess of 100 percent and 250 percent.

(b) Prohibits the percentage for determining allocated prior service credits from exceeding one-half of the percentage that results from adding 200 percent to the lowest percentage for determining multiple matching credit currently applicable to any employee contribution with respect to the subdivision. Deletes existing text prohibiting an increase that results in certain greater benefits.

(d) Authorizes the governing body of a subdivision that has adopted or is adopting the plan provisions of this subchapter to adopt or authorize certain changes in provisions, excluding the establishment of premembership credited service for overage employees under Section 843.204 (Premembership Credit for Overage Employees). Renumbers subsequent sections accordingly to reflect deletion.

SECTION 23. Amends Section 845.114(b), Government Code, to make a conforming change.

SECTION 24. Amends Section 845.305, Government Code, as follows:

Sec. 845.305. CREDITING SYSTEM ASSETS. (a) Requires the retirement system to deposit all receipts, rather than money received by the system, with a depository designated under Section 845.109 (Depositories) or a custodian designated under Section 845.302 (Custody and Investment of Assets Pending Transactions).

(b) Requires all assets of the pension trust of the retirement system to be credited according to the purpose for which they are held to one of certain funds, excluding the supplemental death benefits fund.

(c) Requires amounts contributed by a subdivision to provide optional group term life insurance for its participating employees and retirees to be deposited to the fund of the supplemental death benefits fund.

SECTION 25. Amends Section 845.306(a), Government Code, to modify the contributions the retirement system is required to deposit into a member's individual account in the employees saving fund.

SECTION 26. Amends Section 845.307(a), Government Code, to modify the contributions the retirement system is required to credit or charge to, rather than deposit in, the account of a participating subdivision in the subdivision accumulation fund.

SECTION 27. Amends Sections 845.309(a), (b), and (c), Government Code, as follows:

(a) Requires the interest fund to account for the determination and allocation of net investment income or loss. Deletes existing text requiring the interest fund to contain certain accounts.

(b) Provides that net investment income or loss will be determined annually as of December 31. Deletes existing text relating to the nondistributable income account.

(c) Provides that net investment income or loss will be allocated each year in accordance with Section 845.315 (Transfer of Assets from Interest Fund). Deletes existing text providing that the distributable income account will be credited with certain amounts.

SECTION 28. Amends Section 845.310, Government Code, by amending Subsections (a), (c), (d), and (e), and adding Subsection (c-1), as follows:

(a) Provides that the endowment fund consists of the general reserves account and other accounts as necessary. Deletes existing text requiring the retirement system to deposit certain monies in the endowment fund.

(c) Requires the retirement system to credit or charge to the general reserves account amounts, rather than income, allocated to the endowment fund in accordance with Section 845.315 (Transfer of Assets from Interest Fund).

(c-1) Requires the board of trustees, as of December 31, to provide from the general reserves account the amount needed to pay the retirement system's estimated operating expenses for the next fiscal year.

(d) Authorizes the board of trustees to allocate any amount in the endowment fund to any other account or fund in the pension trust. Deletes existing text requiring the transfer of money into an expense fund.

(e) Requires any allocation of reserves to an account of a subdivision to which Section 842.052 (Voluntary Termination of Participation), 842.053 (Involuntary Termination of Participation), or 845.317 (Payment to Formerly Participating Subdivision) applies to be specifically authorized by board resolution. Deletes existing text relating to excess amounts in the general reserves account.

SECTION 29. Amends Section 845.311, Government Code, to require the expense fund to account for the administrative revenues and expenses of the retirement system. Deletes existing text related to cash outlays and other expenses to come out of the expense fund.

SECTION 30. Amends Sections 845.315 and 845.317, Government Code, as follows:

Sec. 845.315. New heading: ANNUAL ALLOCATION OF NET INVESTMENT INCOME OR LOSS. (a) Requires the board of trustees, as of December 31 of each year, to make certain modified allocations that in the aggregate equal the net investment income or loss for the year. Deletes existing text relating to balances transferred between the investment expenses account and the distributable income account.

(b) Provides that the account of a subdivision that has ceased participation according to Section 845.317(a) will not receive an allocation under this section. Deletes existing text related to the subdivision accumulation fund.

Sec. 845.317. PAYMENT TO FORMERLY PARTICIPATING SUBDIVISION. (a) Makes a conforming change.

(b) Requires the retirement system, after application by a subdivision whose participation has terminated and has no present or potential liabilities resulting from the participation of current or former employees or its successor in interest, to pay the subdivision or its successor any remaining credit to the account of the subdivision in the subdivision accumulation fund. Deletes existing text relating to the merging of participating subdivisions.

(c) Provides that a subdivision that has terminated participation in the retirement system has no right or claim to any amounts in the system, except as provided by this section.

SECTION 31. Amends Sections 845.403(e), (g), and (j), Government Code, to make conforming and nonsubstantive changes.

SECTION 32. (a) Requires the retirement system to reinstate, as of the termination date, the account of a person whose membership was terminated after December 31, 2004, under previous law because of an absence from service for five consecutive years, if the amount in the account has not been withdrawn. Requires the retirement system to adjust the member's account to its opening balance as of January 1, 2005, and credit it after that date with interest as allowed under Subtitle F, Title 8, Government Code. Provides that, for a membership that was terminated after December 31, 1999, and before January 1, 2006, and that is not reinstated, interest is computed on the balance in the person's individual account on January 1 of the year of termination through the month preceding the month in which the membership was terminated.

(b) Sets forth guidelines for the optional exclusion of membership of certain employees from the retirement system by a subdivision.

(c) Authorizes a subdivision that elects to include persons as members of the retirement system under former Section 842.201, Government Code to, before April 1, 2006, elect to discontinue active participation of those persons in the retirement system by notifying the system and those persons in a manner the system prescribes.

SECTION 33. Repealers in the Government Code:

- (1) Section 842.003 (Additional Membership Classes);
- (2) Section 842.008 (No Participation for Employees Hired After Election);
- (3) Section 842.009 (Significant Reduction in Number of Contributing Members);
- (4) Section 842.010 (Reduction to No Contributing Members);
- (5) Section 842.102 (Election to Become Member);
- (6) Section 842.103 (Credit for Person Who Elects to Become Member);
- (7) Section 842.111 (Resumption of Service With Different Employer By Retiree);
- (8) Subchapter C, Chapter 842 (Optional Membership Coverage);
- (9) Section 843.203 (Adjustment of Obligations Between Successive Employers);
- (10) Section 843.204 (Premembership Credit for Overage Employees);
- (11) Subchapter D, Chapter 843 (Prior Service of Optional Membership Class);
- (12) Section 843.402 (Current Service for Member of Optional Class);
- (13) Section 843.602 (Certain Current Service a Prosecuting Attorney);
- (14) Sections 845.309(d) and (e) (relating to the investment expenses account and distribution of remaining balance in distributable interest account);
- (15) Sections 845.310(b) and (f) (relating to the endowment fund); and
- (16) Section 845.403(c) (authorizing modifications to be made to required deductions).

SECTION 34. Effective date: January 1, 2006, excepting Section 844.704(a), Government Code, which takes effect December 31, 2006.