

BILL ANALYSIS

Senate Research Center
80R15764 KFF-D

C.S.S.B. 236
By: Zaffirini
State Affairs
4/21/2007
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law provides that a person who becomes employed with the municipality in which the person last worked and who receives Texas Municipal Retirement System (TMRS) benefits must have any annuity account payments suspended for the duration of employment with that municipality and that interest payments on that person's previously-established account must be discontinued. The law also prohibits the employee from further contributing to that account and requires the employee to begin a new account. This affects the amount of each pension check the employee will receive after retiring for a second time.

C.S.S.B. 236 permits a retiree enrolled in TMRS who becomes employed with the municipality in which the retiree last worked to work in that municipality without suspension of the person's monthly TMRS annuity payments.

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 Sections 852.108(a) and (b), Government Code, to make conforming changes.

SECTION 2. Amends Subchapter B, Chapter 852, Government Code, by adding Section 852.1085, as follows:

Sec. 852.1085. RESUMPTION OF SERVICE WITH SAME EMPLOYER BY CERTAIN RETIREES. Provides that a person who retired because the department in the municipality in which the person worked was privatized and who later resumes employment in that or a successor department in the person's reemploying municipality again becomes a member of the retirement system, and the person's retirement annuity is not suspended in the same manner provided by Section 852.109 (Resumption of Service with Different Employer by Retiree) for a person who resumes employment with a different municipality, notwithstanding Section 852.108 (Resumption of Service with Same Employer by Retiree).

SECTION 3. (a) Entitles a person whose annuity was suspended under Section 852.108, Government Code, as that section existed before amended by this Act, to the resumption of monthly annuity payments if the person meets the requirements of Section 852.1085, Government Code, as added by this Act.

(b) Requires that the Texas Municipal Retirement System resume making monthly annuity payments to a person described in the previous subsection on the first payment date on or after this Act's effective date.

(c) Provides that a person described in this section is not entitled to recover annuity payments not made during the period of suspension under Section 852.108, Government Code, as that section existed before amendment by this Act.

SECTION 4. Effective date: upon passage or September 1, 2007.