

## **BILL ANALYSIS**

Senate Research Center  
82R22348 KFF-D

H.B. 159  
By: Raymond (Zaffirini)  
State Affairs  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Interested parties observe that, currently, an individual who retires from a municipality and receives retirement benefits from the Texas Municipal Retirement System (TMRS) will continue to receive TMRS retirement benefits while working anywhere else, including another municipality, as long as the individual is not reemployed by the municipality from which the individual retired. But, if this individual resumes employment at the municipality from which the individual retired, TMRS will suspend the individual's benefits to prevent "double dipping." Finally, these parties observe that after this individual re-retires from the municipality, he or she will have lost the retirement benefits he or she would have received during the time the benefits were suspended.

H.B. 159 seeks to address this loss of benefits by allowing an individual who retired based on a bona fide termination of employment and who resumes employment with the individual's previous employer to receive, in a lump-sum payment, the benefits the individual would have received had the benefits not been suspended during the period of reemployment.

H.B. 159 amends current law relating to the resumption of employment by certain retirees within the Texas Municipal Retirement System.

### **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 Section 852.108, Government Code, by amending Subsections (c), (e), and (f) and adding Subsection (j), as follows:

(c) Prohibits the Texas Municipal Retirement System (TMRS), after the suspension and except as provided by Subsection (j), from making payments of the annuity for any month during which the person remains an employee of the reemploying municipality.

(e) Entitles a person described by Subsection (b) (relating to a person who has retired with a service retirement benefit under this subtitle and later becomes an employee of the person's reemploying municipality), after termination of employment with the reemploying municipality and after filing of an application for resumption of retirement with the board of trustees of TMRS, to receive future payments of the suspended annuity, as provided by Subsection (f), and to the additional benefits as provided by Subsections (g) (relating to certain payments of certain benefits to a beneficiary), (h) (relating to the payment of certain additional benefits), (i) (relating to the method of payment of certain benefits), and (j).

(f) Prohibits payment of the resumed benefit, except as provided by Subsection (j), from being made for any month during which the payment was suspended under this section.

(j) Requires a person to whom this section applies to receive a lump-sum payment in an amount equal to the sum of the service retirement annuity payments the person would

have received had the person's annuity payments not been discontinued and suspended under this section if the person:

- (1) initially retired based on a bona fide termination of employment; and
- (2) resumed employment with the person's reemploying municipality at least eight years after the effective date of the person's retirement.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2011.