

BILL ANALYSIS

Senate Research Center
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S.B. 1459
By: Duncan
State Affairs
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Legislature evaluates the Employee Retirement System of Texas (ERS) in regard to the statute currently in place on occasion. In order to encompass the needs of both the legislature and ERS, this bill is put in place to facilitate the changes.

As proposed, S.B. 1459 amends current law relating to the Employees Retirement System of Texas.

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 411.1402(a), Government Code, as follows:

Sec. 411.1402. ACCESS TO CRIMINAL HISTORY RECORD INFORMATION: EMPLOYEES RETIREMENT SYSTEM OF TEXAS. (a) Entitles the Employees Retirement System of Texas (ERS) to obtain from the Department of Public Safety of the State of Texas (DPS), the Federal Bureau of Investigation Criminal Justice Information Services Division (division), or another law enforcement agency criminal history record information maintained by DPS, division, or agency that relates to a person who is:

- (1) an applicant for employment with, or who is or has been employed by, ERS;
- (2) a consultant, contract employee, independent contractor, intern, or volunteer for ERS or an applicant to serve in one of those positions; or
- (3) a candidate for appointment or election to the board of trustees of ERS or an advisory committee to that board.

SECTION 2. Amends Section 812.003(b), Government Code, to provide that, for the purposes of this subtitle, an office or employment that is included in the coverage of certain retirement systems, including with a university system or an institution of higher education, as defined by Section 61.003 (Donation of Reimbursement), Education Code, is not a position with a department, commission, board, agency, or institution of the state.

SECTION 3. Amends Section 813.302(b), Government Code, to provide that a member eligible to establish military service credit is one who meets certain criteria, including is one who does not receive and is not eligible to receive federal retirement payments based on 20 years or more of active federal military duty, rather than based on 20 years or more of active federal military duty or its equivalent.

SECTION 4. Amends Section 814.1081(a), Government Code, as follows:

Sec. 814.1081. CHANGE IN ANNUITY SELECTION. (a) Authorizes a person who retired and selected an optional service retirement annuity described by Section 814.108(c)(1) (relating to authorizing an eligible person to choose to make the reduced annuity payable in the same amount throughout the life of the beneficiary after the retiree's death), (c)(2) (relating to authorizing an eligible person to choose to make one-half of the reduced annuity payable in the same amount throughout the life of the beneficiary after the retiree's death), or (c)(5) (relating to authorizing an eligible person to choose to make three-fourths of the reduced annuity payable in the same amount throughout the life of the beneficiary after the retiree's death) to change the optional annuity selection to the selection of a standard service retirement annuity by filing with ERS a request to change the annuity selection, if the retiree designated a person as beneficiary who:

- (1) Makes no change to this subdivision;
- (2) has executed since the designation a written, notarized instrument that releases ERS from any claim by the beneficiary to the annuity and that transfers all of the beneficiary's interest in the annuity to the retiree, and is not currently the retiree's spouse or dependent child; or
- (3) was ordered by a court of competent jurisdiction pursuant to a divorce decree to change the annuity selection to a standard service retirement annuity.

Deletes existing text authorizing a person who retired and selected an optional service retirement annuity described by Section 814.108(c)(1), (c)(2), or (c)(5) to change the optional annuity selection to the selection of a standard service retirement annuity by filing with ERS a request to change the annuity selection, if the retiree designated a person as beneficiary who has executed since the designation a transfer and release, approved by a court of competent jurisdiction pursuant to a divorce decree, of the beneficiary's interest in the annuity and is not currently the retiree's spouse or dependent child.

SECTION 5. Amends Section 838.103(b). Government Code, as follows:

(b) Provides that a member eligible to establish military service credit is one who:

- (1) Makes no change to this subdivision;
- (2) does not receive and is not eligible to receive federal retirement payments based on 20 years or more of active federal military duty, rather than based on 20 years or more of active federal military duty or its equivalent; and
- (3) Makes no change to this subdivision.

SECTION 6. Amends Section 1551.104(b), Insurance Code, to redefine "child" in this section.

SECTION 7. Amends Sections 1551.1055(a) and (b), Insurance Code, as follows:

Sec. 1551.1055. DATE ELIGIBILITY BEGINS; WAITING PERIOD. (a) Provides that except as provided by Subsection (c) (relating to the waiting period applying only to the determination of initial eligibility to participate in the group benefits program and the provision that it does not apply to the determination of initial eligibility to participate in optional and voluntary insurance coverages under the group benefits program) and (d) (relating to the providing that this subsection apply only to an employee of an institution of higher education or an employee of an institution of higher education's dependent and certain information regarding the date of an employee's eligibility), eligibility under Section 1551.101 (Participation Eligibility: State Officers and Employees) begins not later than the 90th day, rather than begins on the first day of the calendar month that

begins after the 90th day, after the date the employee performs services for a state agency or is qualified for and begins to hold elected or appointed office.

(b) Provides that eligibility under Section 1551.102 (Participation Eligibility: Annuitants), except as provided by Subsection (c) or (d), begins not later than the 90th day after the date the individual retires, rather than begins on the first day of the calendar month that begins after the 90th day after the date the individual retires.

SECTION 8. Amends Section 1551.158(a), Insurance Code, to authorize a dependent child who is unmarried and whose coverage under this chapter ends when the child becomes 26 years of age, rather than 25 years of age, to, on expiration of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (Pub. L. No. 99-272), reinstate health benefit plan coverage under this chapter if the child, or the child's participating parent, pays the full cost of the health benefit plan coverage.

SECTION 9. Repealer: Section 840.401 (Transfer of Accumulated Contributions in Certain Circumstances), Government Code.

Repealer: Section 1551.321 (Required Reports of Community Supervision and Corrections Departments), Insurance Code.