

BILL ANALYSIS

Senate Research Center

H.B. 408
By: Turner, Chris et al. (Menéndez)
State Affairs
5/18/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Elected state officials may, under certain conditions, transfer service from the elected class of the Employees Retirement System of Texas (ERS) to the employee class of ERS to establish the official's eligibility for a service retirement annuity. Concerned parties note that some elected state officials who establish eligibility in this manner may simultaneously receive a service retirement annuity as well as a state salary. Interested parties assert that elected state officials are stewards of the public trust and taxpayer money and, as such, should not be paid twice by Texas taxpayers. H.B. 408 seeks to address this issue regarding such transfers.

H.B. 408 amends current law relating to the retirement benefits for certain elected state officials.

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 813.503, Government Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Authorizes a member (relating to a member of the Employees Retirement System of Texas), subject to Subsection (a-1), to establish in, or have transferred to, the employee class all service credited in the elected class, if the contributions made to establish the service in the elected class equal or exceed contributions required of a member of the employee class for the same amount of service during the same time and at the same rate of compensation. Authorizes a member or retiree who has, or had at the time of retirement, at least eight years of service credit in the elected class of membership, exclusive of military service, subject to Subsection (a-1), to transfer service credit between classes before or after retirement. Makes nonsubstantive changes.

(a-1) Prohibits a member or retiree who takes the oath of office for a position included in the elected class of membership, other than a district attorney or criminal district attorney, from transferring service to the employee class under Subsection (a) until the person no longer holds that position.

SECTION 2. Amends Section 814.104, Government Code, by amending Subsections (a) and (d) and adding Subsection (e), as follows:

(a) Adds a reference to Subsection (e) and makes a nonsubstantive change.

(d) Adds a reference to an exception provided by Subsection (e) of this section.

(e) Provides that a member who takes the oath of office for a position included in the elected class of membership, other than a district attorney or criminal district attorney, is not eligible to retire and receive a service retirement annuity under this section that is based on service credit transferred to the employee class from the elected class under Section 813.503 (Credit Transferable Between Elected and Employee Class) until the

member no longer holds that position. Provides that this provision does not prohibit a member from retiring and receiving a service retirement annuity under this section that is based on service credit earned in a position included in the employee class of membership under Section 812.003 (Membership in Employee Class).

SECTION 3. Provides that the change in law made by this Act applies only to a person included in the elected class of membership on or after the effective date of this Act, other than a person who, on the effective date of this Act, is receiving a service retirement annuity based on service transferred to the employee class.

SECTION 4. Effective date: September 1, 2015.