

BILL ANALYSIS

Senate Research Center

S.B. 288
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Finance
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, a Teacher Retirement System of Texas (TRS) retiree who retired after 2011 has three options to return to work. First, the retiree must not have worked or volunteered for 12 consecutive months in order to be allowed to return to work in an unlimited manner. Alternatively, retirees who retired after 2011 must not have been employed for at least one month, and then after that month, are allowed to serve as a substitute teacher for an unlimited amount of time as long as it is not for a vacant teaching position. Lastly, a TRS retiree who wishes to return to work may do so as long as they do not work more than half time. The current penalty administered by TRS for working more than half time under the last scenario results in a retiree losing an entire month's annuity payment.

A retiree participating in the last return-to-work option may accidentally work more than the allowed number of hours by being put in a specific situation, such as being caught in traffic while driving a school bus, even though this was completely out of the retiree's control. Currently, no matter the reason the violation occurred, or the length of time over the allowed hours worked, Texas retired teachers lose an entire month's pension check.

S.B. 288 first provides a warning to a TRS retiree who violates the employment after retirement provision. Secondly, if the retiree violates again, the retiree's pension annuity is reduced to an amount equal to the amount the retiree earned over the allowed number of hours. Lastly, S.B. 288 retains current law for a retiree who violates this policy a third time.

(Original Author's/Sponsor's Statement of Intent)

S.B. 288 amends current law relating to preventing the loss of benefits of and the payment of certain employer contributions for certain retirees of the Teacher Retirement System of Texas who resume service.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Teacher Retirement System of Texas in SECTION 6 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 824.601, Government Code, by amending Subsection (b) and adding Subsection (b-3), as follows:

(b) Provides that, except as provided by Subsection (b-1) (relating to providing that Subsection (b) does not apply to certain retirees whose effective date of retirement is on or before January 1, 2011) or Section 824.602 (Exceptions) and subject to Subsection (b-2) (relating to providing that a retiree is considered to be employed by a Texas public educational institution if the retiree performs certain duties or provides certain services) and, if applicable, Subsection (b-3), a retiree is not entitled to service or disability retirement benefit payments, as applicable, for any month in which the retiree is employed in any position by a Texas public educational institution.

(b-3) Provides that a retiree under Section 824.202 (Eligibility for Service Retirement) is subject to Subsection (b) only if the Teacher Retirement System of Texas (TRS) first issues the following notices to the retiree:

(1) with respect to the first occurrence of the retiree's employment that does not qualify for an exception under Section 824.602, TRS issued a written warning notifying the retiree of that fact; and

(2) in a month following the month in which TRS issued the warning described by Subdivision (1) and with respect to a subsequent occurrence of the retiree's continued employment that does not qualify for an exception under Section 824.602, TRS issued a written notice:

(A) warning the retiree of the fact described by this subdivision; and

(B) requiring the retiree to pay to TRS, in a form and manner prescribed by TRS, an amount, as elected by the retiree, that equals the total sum the retiree:

(i) earned for all employment by Texas public educational institutions for each month occurring after the issuance of the warning under Subdivision (1) for which the retiree did not qualify for an exception under Section 824.602 and before the month TRS issued the written notice described by this subdivision; or

(ii) received in retirement benefit payments for each month occurring after the issuance of the warning under Subdivision (1) for which the retiree did not qualify for an exception under Section 824.602 and before the month TRS issued the written notice described by this subdivision.

SECTION 2. Amends Subchapter G, Chapter 824, Government Code, by adding Section 824.6021, as follows:

Sec. 824.6021. TEMPORARY EXCEPTION TO MITIGATE LEARNING LOSS ATTRIBUTABLE TO COVID-19 PANDEMIC. (a) Prohibits TRS, subject to Section 825.506 (Plan Qualification), under Section 824.601 (Loss of Monthly Benefits), from withholding a monthly benefit payment if the retiree is employed in a Texas public educational institution, other than an institution of higher education, in a position performing duties related to the mitigation of student learning loss attributable to the coronavirus disease (COVID-19) pandemic, if the position:

(1) is in addition to the normal staffing level at the Texas public educational institution;

(2) is funded wholly by federal funds provided under federal law enacted for the purpose of providing relief related to the COVID-19 pandemic, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act (15 U.S.C. Section 9001 et seq.), Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (Div. M, Pub. L. No. 116-260), or American Rescue Plan Act of 2021 (Pub. L. No. 117-2); and

(3) ends on or before December 31, 2024.

(b) Provides that the exception provided by this section is in addition to the exceptions otherwise provided by Sections 824.601 and 824.602, and does not apply to disability retirees.

(c) Provides that this section expires February 1, 2025.

SECTION 3. Amends Section 825.308, Government Code, as follows:

Sec. 825.308. STATE CONTRIBUTION ACCOUNT. Requires TRS to deposit in the state contribution account retiree earnings described by Section 824.601(b-3)(2)(B)(i) that have been paid to TRS.

SECTION 4. Amends Section 825.4092, Government Code, by adding Subsection (f), as follows:

(f) Provides that, notwithstanding any other provision of Section 825.4092 (Employer Contributions for Employed Retirees), the amounts required to be paid under Subsections (b) (relating to requiring the employer to contribute to TRS for each retiree reported a certain amount) and (c) (relating to requiring the employer who reports the employment of a retiree to contribute to a certain trust fund an amount established by TRS) are not required to be paid by a reporting employer for a retiree who retired from TRS on or after September 1, 2005, and is employed in a position described by Section 824.6021(a). Provides that this subsection expires February 1, 2025.

SECTION 5. Makes application of Section 824.601, Government Code, as amended by this Act, prospective.

SECTION 6. Requires TRS, as soon as practicable after the effective date of this Act, to adopt rules as necessary to implement Section 824.601, Government Code, as amended by this Act.

SECTION 7. Provides that Section 825.4092, Government Code, as amended by this Act, applies beginning with the 2021-2022 school year.

SECTION 8. Effective date: September 1, 2021.