

## **BILL ANALYSIS**

Senate Research Center  
87R2766 JCG-D

S.B. 288  
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Finance  
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As Filed

### **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 twelve 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.

As proposed, S.B. 288 amends current law relating to preventing the loss of benefits by 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 3 of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 824.602, Government Code, by amending Subsection (a) and adding Subsections (c), (d), and (d-1), as follows:

(a) Prohibits the Teacher Retirement System of Texas (TRS), subject to Subsections (c), (d), and (d-1) in addition to Section 825.506 (Plan Qualification), from withholding a monthly benefit payment from certain retirees.

(c) Provides that, subject to Section 825.506, with respect to a retiree who is employed by a Texas public educational institution in excess of a limitation on employment provided by Subsection (a), TRS is prohibited from withholding a monthly benefit payment under Section 824.601 (Loss of Monthly Benefits) and is required to provide a written warning regarding the consequences of further employment that exceeds those limitations.

(d) Requires TRS, if TRS determines that a retiree, after receipt of a warning under Subsection (c), is employed in a manner that exceeds a limitation on employment

provided by Subsection (a), to provide notice of that determination to the retiree and require the retiree, in the manner prescribed by TRS, to:

(1) return to TRS the prorated amount of the monthly benefit payment received by the retiree that is attributable to the period in which the retiree exceeded the limitation provided by Subsection (a); or

(2) pay to TRS the difference between the actual hours or days for which the retiree was compensated and the hours or days permitted under Subsection (a).

(d-1) Authorizes TRS, if TRS determines that a retiree, after receipt of a notice under Subsection (d), is employed in a manner that exceeds a limitation on employment provided by Subsection (a), to withhold a monthly benefit payment under Section 824.601.

SECTION 2. Makes application of Section 824.602, Government Code, as amended by this Act, prospective.

SECTION 3. Requires TRS, as soon as practicable after the effective date of this Act, to adopt rules as necessary to implement Section 824.602, Government Code, as amended by this Act.

SECTION 4. Effective date: September 1, 2021.