

## **BILL ANALYSIS**

H.B. 681  
By: Sheets  
Pensions  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties assert that a state-funded pension for an official elected to the legislature or to the executive branch of state government is meant to recognize honorable service to the official's constituents and to the State of Texas. These parties contend that while the vast majority of elected officials rightfully earn and deserve pensions, the officials who abuse the public trust should not benefit from the state for which they have performed a disservice. H.B. 681 seeks to ensure that elected officials who are convicted of certain felony offenses arising from their official duties do not receive a state-funded pension.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the board of trustees of the Employees Retirement System of Texas in SECTION 1 of this bill.

### **ANALYSIS**

H.B. 681 amends the Government Code to disqualify a member of the elected class of the Employees Retirement System of Texas (ERS) who holds a state office or is a member of the legislature from eligibility for receiving a service retirement annuity for service credit in the elected class if the member is convicted of a qualifying felony committed while in office and arising directly from the official duties of that elected office. The bill defines "qualifying felony" as any felony involving bribery; the embezzlement, extortion, or other theft of public money; perjury; or conspiracy or the attempt to commit any such crimes. The bill requires ERS to suspend payments of an annuity to a member ineligible to receive the annuity as a result of such a conviction and entitles such an ineligible member to a refund of the member's retirement annuity contributions, including interest earned on those contributions. The bill authorizes such a member whose conviction is overturned on appeal or who meets the requirements for innocence under Civil Practice and Remedies Code provisions regarding entitlement to compensation and health benefits coverage of a wrongfully imprisoned person to resume receipt of annuity payments on payment to ERS of an amount equal to the contributions so refunded and entitles the member to receive an amount equal to the accrued total of payments and interest earned on the payments withheld during the suspension period.

H.B. 681 specifies that benefits payable to an alternate payee under statutory provisions governing domestic relations orders and spousal consent with regard to public retirement systems who is recognized by a domestic relations order established before September 1, 2015, are not affected by a member's ineligibility to receive a retirement annuity under the bill's provisions. The bill authorizes a court in the interest of justice and in the same manner as in a

divorce proceeding, on conviction of a member for a qualifying felony, to award half of the service retirement annuity forfeited by the member as the separate property of an innocent spouse if the annuity is partitioned or exchanged by written agreement of the spouses as provided by Family Code provisions governing premarital and marital property agreements. The bill prohibits the amount awarded to the innocent spouse from being converted to community property. The bill specifies that ineligibility for a retirement annuity under the bill's provisions does not impair a member's right to any other retirement benefit for which the member is eligible. The bill requires the board of trustees of ERS to adopt rules and procedures to implement the bill's provisions.

H.B. 681 repeals Article 6220, Revised Statutes, relating to a person's ineligibility to receive a pension while confined in any state asylum or in the state penitentiary.

**EFFECTIVE DATE**

September 1, 2015.