

## **BILL ANALYSIS**

C.S.H.B. 4203  
By: Swanson  
Pensions  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Concerns have been raised regarding the manner in which the pension of a member of the Texas County and District Retirement System is split in a divorce between the member's former spouse and the member or the member's beneficiary. The parties contend that in certain instances a surviving spouse may not be awarded any portion of the pension with the full pension being divided among other beneficiaries listed on the pension. C.S.H.B. 4203 seeks to address this issue by ensuring that the rights of an alternative payee are equal to the rights of the member or the member's other beneficiaries.

### **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 this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 4203 amends the Government Code to replace the requirement for the board of trustees of the Texas County and District Retirement System, following a division of benefits on divorce of a member that awards a portion of the member's accrued benefit to the member's former spouse, to by rule define and specify the rights and responsibilities of the member's alternate payee and the terms and features of the benefit awarded the alternate payee under the qualified domestic relations order incident to the divorce with a requirement for the board to ensure by rule that the rights and responsibilities of the alternate payee and the terms and features of the benefit awarded the alternate payee under that order are equal to the rights attained by the member or the member's beneficiary. The bill removes the board's discretion to by rule prescribe terms on which the interest awarded the alternate payee under such an order may be transferred at the alternate payee's death and instead requires the board by rule to prescribe such terms and requires the prescribed terms to be equal to the terms prescribed for a member. The bill establishes that rules adopted under certain Texas Administrative Code provisions relating to the retirement system and domestic relations orders effective January 1, 2018, are considered to comply with the bill and that the bill applies only a qualified domestic relations order entered or amended on or after January 1, 2018.

### **EFFECTIVE DATE**

September 1, 2017.

## COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 4203 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

### INTRODUCED

SECTION 1. Sections 841.0091(b) and (c), Government Code, are amended.

SECTION 2. Not later than December 1, 2017, the board of trustees of the Texas County and District Retirement System shall adopt the rules necessary to implement Section 841.0091, Government Code, as amended by this Act.

No equivalent provision.

SECTION 3. The change in law made by this Act to Section 841.0091, Government Code, applies only to a qualified domestic relations order entered or amended on or after January 1, 2018. A qualified domestic relations order entered or amended before January 1, 2018, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2017.

### HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Same as introduced version.

No equivalent provision.

SECTION 2. For purposes of this Act, rules adopted under Chapter 109, Title 34, Texas Administrative Code, effective January 1, 2018, are considered to comply with the changes in law made by this Act.

SECTION 3. Same as introduced version.

SECTION 4. Same as introduced version.