

BILL ANALYSIS

C.S.H.B. 2227

By: Wu

Pensions, Investments & Financial Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been noted that retired members of the Teacher Retirement System of Texas are allowed to resume employment in a state public educational institution on a part-time basis without losing benefit payments, but there are restrictions on the number of hours they can work. There are concerns that such retirees may sometimes need to take on more hours than are allowed because of an exigent event beyond their control, such as a weather-related event. C.S.H.B. 2227 seeks to ensure that these retirees will not be subject to loss of benefits or excessive fines.

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 Teacher Retirement System of Texas in SECTION 2 of this bill.

ANALYSIS

C.S.H.B. 2227 amends the Government Code to establish that the prohibition against the Teacher Retirement System of Texas (TRS) withholding a monthly benefit payment based on the resumption of a retiree's employment in a state public educational institution in a position, other than as a substitute, on no more than a one-half time basis for the month or, if the retiree is a disability retiree, on no more than a one-half time basis for no more than 90 days in the school year continues to apply to a retiree who exceeds the prescribed limitation on time worked because of an exigent event that is beyond the retiree's control, including a weather-related event. The bill requires TRS, if it applies the bill's provisions to a retiree, to immediately notify the retiree that the retiree exceeded the applicable limitation and, if appropriate, to provide to the retiree a 30-day period from the date notice is received by the retiree in which the retiree may take corrective action to avoid exceeding the limitation again in the future, as prescribed by TRS. The bill requires the retiree, in the manner prescribed by TRS, to 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 or to pay to TRS the difference between the actual hours for which the retiree was compensated and the hours permitted under the limitation. The bill requires the TRS board of trustees to adopt rules implementing these provisions, as necessary.

C.S.H.B. 2227 changes from on or before January 1, 2011, to on or before August 31, 2018, the effective date of retirement that triggers an exemption for certain retirees of TRS from the provision establishing that a retiree is not entitled to service or disability benefit payments, as applicable, for any month in which the retiree is employed in any position by a state public educational institution.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2227 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the circumstances that trigger the continuation of the prohibition against withholding a monthly benefit payment from an event or other circumstance that is beyond the retiree's control to an exigent event that is beyond the retiree's control.

The substitute includes provisions relating to:

- notification of a retiree by TRS that the retiree has exceeded an applicable limitation and provision of a 30-day period for the retiree to take corrective action, if appropriate;
- return by the retiree to TRS of the prorated amount of the monthly benefit payment that is attributable to the period in which the retiree exceeded the limitation or payment to TRS of the difference between the actual hours for which the retiree was compensated and the hours permitted under the limitation; and
- the effective date of retirement that triggers an exemption from the provision establishing that a TRS retiree is not entitled to service or disability benefit payments for any month in which the retiree is employed in any position by a state public educational institution.