

**SUBJECT:** Transfer of ERS service credit between classes by former House members

**COMMITTEE:** Pensions, Investments, and Financial Services — committee substitute recommended

**VOTE:** 8 ayes — Truitt, Anchia, Anderson, Flynn, Hernandez, Hopson, Parker, Veasey  
0 nays  
1 absent — Woolley

**WITNESSES:** For — None  
Against — None  
On — (*Registered, but did not testify:* Martin McCaulay, Texas Pension Review Board)

**BACKGROUND:** A former member of the Legislature who is a member of the elected class under the state Employees Retirement System (ERS) may continue to accrue service credit while employed as a member of the employee class, including when working for the Legislature. A member of the elected class who accrues at least eight years of service credit in the elected class may transfer credit between the elected and employee class before or after retirement.  
  
There is no requirement for the number of hours worked weekly to accrue service credit. State employees accrue service credit for every month of employment. The number of service credits accrued determines the date at which the individual becomes eligible for retirement and the amount of the individual's annuity payment.

**DIGEST:** CSHB 3634 would allow a member or retiree of the ERS elected class who had served in the House of Representatives to accrue service credit as a House employee only if the person was a full-time employee working 40 or more hours a week.

In order for a member or retiree of the elected class who served in the House of Representatives and who wished to transfer accrued service credit between the elected and employee classes to transfer employee class service credit, the individual would have to provide documentation that the person had performed the service:

- as an employee designated by the House of Representatives as working 40 or more hours a week; or
- as a full-time employee designated by the Texas School for the Deaf, Texas School for the Blind and Visually Impaired, or Windham School District or by an employer as working 40 or more hours a week.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009. The bill would only apply to service credits accrued or transferred on or after the effective date of the bill.

NOTES:

The original version of the bill would have applied to members or retirees of the elected class who had served exclusively in the House of Representatives.