

## **BILL ANALYSIS**

Senate Research Center  
77R14150 GJH-D

C.S.S.B. 273  
By: Armbrister  
Education  
4/30/2001  
Committee Report (Substituted)

### **DIGEST AND PURPOSE**

C.S.S.B. 273 increases annuity payments for certain individuals. The confidentiality of certain records is clarified and the Open Records Act is amended to conform the confidentiality of Teacher Retirement System (TRS) members' records to that of members' records in the Employees Retirement System. TRS is required to remit monthly deposits and reporting data submitted to it by local school districts before the 4th day after the last day of each month to conform with Internal Revenue Service reporting requirements. Clarifies that optional insurance coverage is not subject to premium tax.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 803.402, Government Code, to provide that records of members and beneficiaries of the Teacher Retirement System of Texas (TRS) are confidential, except as provided by other law, rather than Section 825.507.

SECTION 2. Amends Section 821.103, Government Code, to authorize the State Board for Educator Certification (board), rather than the state commissioner of education (commissioner), to cancel the teacher certificate of a person after receiving notice from the board of trustees of an offense under Section 821.101 and after complying with Chapter 2001 and rules adopted by the board, if the board determines that the person committed the offense. Authorizes the executive director of the board to enter into an agreed sanction. Deletes existing text relating to an appeal of the commissioner's decision. Makes a conforming change.

SECTION 3. Amends Section 822.002, Government Code, to delete existing text relating to the execution and filing of a waiver of membership and reinstatement to membership under Section 823.502. Makes a conforming change.

SECTION 4. Amends Section 822.006, Government Code, to make a conforming change.

SECTION 5. Amends Section 823.004(a), Government Code, to delete existing text relating to service previously waived and work experience in a career or technological field.

SECTION 6. Amends Chapter 823B, Government Code, to delete the heading of Subchapter B and the text of Sections 823.101, 823.102, 823.103, and 823.104.

SECTION 7. Amends Section 823.202, Government Code, to delete the text of Section 823.202.

SECTION 8. Amends Section 824.002(e), Government Code, to delete text relating to service previously waived.

SECTION 9. Amends Section 824.1012(a), Government Code, to authorize a retiree who selected an optional service retirement annuity or an optional disability retirement annuity under certain sections of this code to revoke the designation of the beneficiary to receive the annuity on the death of the retiree if the beneficiary is the spouse or a former spouse.

SECTION 10. Amends Section 824.304(c), Government Code, to make a conforming change.

SECTION 11. Amends Section 824.306, Government Code, to delete the text of Section 824.306.

SECTION 12. Amends Sections 824.404(b)-(d), Government Code, to increase from \$200 to \$250 the monthly benefit certain designated beneficiaries are authorized to elect.

(c) Increases from \$300 to \$350 the monthly benefit certain beneficiaries are authorized to elect. Makes conforming changes.

SECTION 13. Amends Section 824.603, Government Code, to make a conforming change.

SECTION 14. Amends Section 825.307(a), Government Code, to delete existing text relating to portions of a deposit to establish membership service credit previously waived and for service performed after retirement. Makes a conforming change.

SECTION 15. Amends Section 825.308, Government Code, to require the retirement system to deposit in the state contribution account amounts from the interest account as provided by Section 825.313(b)(2), rather than Section 825.313(b)(5). Deletes existing text relating to reinstatement or establishment of service credit under Sections 823.202 and 823.502.

SECTION 16. Amends Section 825.408(a), Government Code, to require an employing district to remit all member and employer deposits and documents of deposits by the fourth, rather than the 11th, day after the last day of the month, or pay to the retirement system, in addition to the deposits, interest on the unpaid or undocumented amounts at an annual rate compounded monthly.

SECTION 17. Amends the heading to Section 825.507, Government Code, to read as follows:

Sec. 825.507. RECORD CONFIDENTIALITY.

SECTION 18. Amends Sections 825.507, Government Code, to provide that records of a participant in the custody of TRS or of an administrator, carrier, attorney, consultant, or governmental agency acting with or on behalf of TRS are confidential and not subject to public disclosure in a form that would identify an individual and are exempt from public access provisions in Chapter 552, except as otherwise provided by this section.

(b) Authorizes TRS to release records of a participant, including a participant to which Chapter 803 applies, to certain people.

(c) Provides that the records of a participant remain confidential after release to a person as authorized by this section. Provides that this section does not prevent the disclosure or confirmation, on an individual basis, of the status or identity of a participant, rather than an individual, as a member, former member, retiree, deceased member or retiree, beneficiary, or alternate payee of TRS.

(d) Authorizes the executive director to designate other employees of TRS to make the necessary determinations under this section, rather than Subsection (a). Makes conforming changes.

(f) Provides that this section does not authorize TRS to compile or disclose a list of participants'

names, addresses, or social security numbers unless the executive director determines that a compilation or disclosure is necessary to administer the retirement system.

(g) Defines “participant.”

SECTION 19. Prohibits TRS from withholding a monthly benefit payment from a specific retiree, notwithstanding Section 824.601, Government Code.

SECTION 20. Amends Section 1, Chapter 22, Acts of the 57th Legislature, 3rd Called Session, 1962 (Article 6228a-5, V.T.C.S.), to provide that this section and Section 2 of this Act apply to the governing boards of state-supported institutions of higher education and a school district or an open-enrollment charter school. Authorizes an entity described by this section to enter into agreements with the entity’s employees for the purchase of annuities or for contributions to any type of investment for the entity’s employees as authorized by Section 403(b) of the Internal Revenue Code of 1986, rather than 1954, and its subsequent amendments.

SECTION 21. Amends Section 2, Chapter 22, Acts of the 57th Legislature, 3rd Called Session, 1962 (Article 6228a-5, V.T.C.S.), to delete existing text relating to a governmental entity. Authorizes the comptroller or the governing board, as appropriate, to take certain actions. Makes conforming changes. Deletes existing text relating to the designation of any agent, broker, or company by the employee.

SECTION 22. Amends Section 16(h), Article 3.50-4, Insurance Code, to make a conforming change.

SECTION 23. Amends Article 3.50-4a, Insurance Code, as added by Chapter 372, Acts of the 76th Legislature, Regular Session, 1999, to provide that a premium or contribution on a policy, insurance contract, or agreement authorized by this article is not subject to any state tax, regulatory fee, or surcharge.

SECTION 24. Amends Article 3.50-4a, Insurance Code, as added by Chapter 1540, Acts of the 76th Legislature, Regular Session, 1999, by adding Section 6, as follows:

Sec. 6. EXEMPTION FROM STATE TAXES AND FEES. Provides that a premium or contribution on a policy, insurance contract, or agreement authorized by this article is not subject to any state tax, regulatory fee, or surcharge.

SECTION 25. Repealer: Sections 823.404 (Work Experience by Career or Technology Teacher), 823.502 (Credit of Retiree), and 823.507(e), Government Code.

SECTION 26. (a) Authorizes a member of TRS who was an employee of a public institution of higher education between certain dates and, as a condition of employment, was required to be enrolled as a student in the institution, to establish service credit for employment by the institution during that period under certain conditions.

(b) Provides that Section 825.410, Government Code, applies to the payment of deposits under Subsection (a) of this section.

(c) Authorizes service credit that is canceled by a termination of membership in TRS or service described in Subsection (a) of this section, notwithstanding Section 805.002(e), Government Code, to be reinstated by a member of the Employees Retirement System of Texas if the person reinstating the service purchases the service under this section not later than September 1, 2002.

SECTION 27. Makes application of the changes in law to Chapter 22, Acts of the 57th Legislature, 3rd Called Session, 1962 (Article 6228a-5, V.T.C.S.), by this Act prospective.

SECTION 28. Effective date: September 1, 2001.

**SUMMARY OF COMMITTEE CHANGES**

Amends As Filed S.B. 273 as follows:

SECTION 1. Maintains and amends existing text relating to records of members and beneficiaries.

Removes proposed amendments to Sections 824.203(a) and (e), Government Code.

SECTION 2. Adds proposed changes to Section 821.103, Government Code.

SECTION 3. Adds proposed changes to Section 822.002, Government Code.

SECTION 4. Adds proposed changes to Section 822.006, Government Code.

SECTION 5. Adds proposed changes to Section 823.004(a), Government Code.

SECTION 6. Deletes heading and text of Chapter 823B, Government Code.

SECTION 7. Deletes text of Section 823.202, Government Code.

SECTION 8. Adds proposed changes to Section 824.002(e), Government Code.

SECTION 9. Adds proposed changes to Section 824.1012(a), Government Code.

SECTION 10. Adds proposed changes to Section 824.304(c), Government Code.

SECTION 11. Deletes text of Section 824.306, Government Code.

SECTION 12. Adds proposed changes to Sections 824.404(b)-(d), Government Code.

SECTION 13. Adds proposed changes to Section 824.603, Government Code.

SECTION 14. Adds proposed changes to Section 825.307(a), Government Code.

SECTION 15. Adds proposed changes to Section 825.308, Government Code.

Redesignates SECTIONS 3 and 4 as SECTIONS 16 and 17.

SECTION 18. Redesignates SECTION 5 as SECTION 18 and amends proposed changes.

SECTION 19. Redesignates SECTION 6 as SECTION 19 and amends.

Removes proposed changes to Chapter 22, Acts of the 57th Legislature, 3rd Called Session, 1962 (Article 6228a-5, V.T.C.S.).

Adds SECTIONS 20 and 21.

Redesignates SECTIONS 8 - 10 as SECTIONS 22 - 24.

Adds SECTIONS 25 - 27.

Removes enabling text of proposed SECTION 11.

Redesignates SECTION 12 as SECTION 28.