

BILL ANALYSIS

Senate Research Center
83R9358 T

S.B. 1458
By: Duncan
State Affairs
4/5/2013
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Legislature evaluates the Teacher Retirement System of Texas (TRS) in regard to the statute currently in place on occasion. This bill is intended to encompass the needs of both the legislature and TRS.

S.B. 1458 seeks to revise applicable laws relating to TRS in regard to its authority and rules in statute.

As proposed, S.B. 1458 amends current law relating to the administration of and benefits payable by the Teacher Retirement System of Texas.

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 Sections 824.1012(a) and (b), Government Code, as follows:

(a) Authorizes a retiree who selected an optional service retirement annuity under Section 824.204(c)(1), (c)(2), or (c)(5) (relating to authorizing certain eligible retirees to select certain options for after the retiree's death regarding the retiree's retirement annuity) or an optional disability retirement annuity under Section 824.308(c)(1), (c)(2), or (c)(5) (relating to authorizing certain eligible retirees to select certain options for after the disability retiree's death regarding the retiree's retirement annuity) and who has received at least one payment under the plan selected, as an exception to Section 824.101(c) (relating to authorizing only one person to be designated as beneficiary of an optional retirement annuity), to change the optional annuity selection made by the retiree to a standard service or disability retirement annuity as provided for in this section. Requires the beneficiary, if the beneficiary is the spouse or former spouse of the retiree, to sign a notarized consent to the change, or requires a court in a divorce proceeding involving the retiree and beneficiary to approve or order the change in the divorce decree or acceptance of a property settlement. Deletes existing text authorizing a retiree who selected an optional service retirement annuity under Section 824.204(c)(1), (c)(2), or (c)(5) or an optional disability retirement annuity under Section 824.308(c)(1), (c)(2), or (c)(5), as an exception to Section 824.101(c), to revoke the designation of the beneficiary to receive the annuity on the death of the retiree, if a court in a divorce proceeding involving the retiree and beneficiary approves or orders the revocation in the divorce decree or acceptance of a property settlement or if the beneficiary is the spouse, or a former spouse, or an adult child of the retiree and signs a notarized consent to the revocation. Provides that the change in plan selection, rather than the revocation, takes effect when the retirement system receives it.

(b) Provides that a change, rather than a revocation, described by Subsection (a) cancels the optional annuity selection made by the retiree, effective with the beginning of payments of the annuity as recomputed under this subsection. Entitles the retiree to receive payments of a standard service or disability retirement annuity, as applicable,

reduced for early retirement, if applicable, beginning with the payment for the month after the month in which the retirement system receives the notice of change and ending on the death of the retiree. Provides that the change also cancels the designation of beneficiary with respect to the optional annuity benefit but does not cancel a designation with respect to any other benefit payable by the retirement system on the death of the retiree. Makes a conforming change.

SECTION 2. Amends Section 824.1013(b), as follows:

(b) Provides that, if the beneficiary designated at the time of the retiree's retirement is the spouse of the retiree at the time of the designation:

- (1) the spouse is required to give written, notarized consent to the change;
- (2) if the parties divorced after the designation, the former spouse who was designated beneficiary is required to give written, notarized consent to the change;
or
- (3) a court with jurisdiction over the marriage is required to have ordered the change.

Deletes existing text requiring that, if the beneficiary designated at the time of the retiree's retirement is the spouse or former spouse of the retiree, the spouse or former spouse give written, notarized consent to the change, or a court with jurisdiction over the marriage have ordered the change.

SECTION 3. Amends Section 1575.003(1), Insurance Code, to redefine "dependent."

SECTION 4. Amends Section 1579.004, Insurance Code, to redefine "dependent" in this chapter.

SECTION 5. Effective date: September 1, 2013.