

GOVERNMENT CODE  
TITLE 8. PUBLIC RETIREMENT SYSTEMS  
SUBTITLE A. PROVISIONS GENERALLY APPLICABLE TO PUBLIC RETIREMENT  
SYSTEMS

CHAPTER 801. STATE PENSION REVIEW BOARD

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 801.001. DEFINITIONS. In this chapter:

- (1) "Board" means the State Pension Review Board.
- (2) "Public retirement system" means a continuing, organized program of service retirement, disability retirement, or death benefits for officers or employees of the state or a political subdivision, or of an agency or instrumentality of the state or a political subdivision, and includes the optional retirement program governed by Chapter 830, but does not include:
  - (A) a program, other than the optional retirement program, for which benefits are administered by a life insurance company;
  - (B) a program providing only workers' compensation benefits;
  - (C) a program administered by the federal government;
  - (D) an individual retirement account or individual retirement annuity within the meaning of Section 408, or a retirement bond within the meaning of Section 409, of the Internal Revenue Code of 1986 (26 U.S.C. Section 409);
  - (E) a plan described by Section 401(d) of the Internal Revenue Code of 1986 (26 U.S.C. Section 401);
  - (F) an individual account plan consisting of an annuity contract described by Section 403(b) of the Internal Revenue Code of 1986 (26 U.S.C. Section 403); or
  - (G) an eligible state deferred compensation plan described by Section 457(b) of the Internal Revenue Code of 1986 (26 U.S.C. Section 457).

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1985, 69th Leg., ch. 143, Sec. 1, eff. Sept. 1, 1985. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.001 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

SUBCHAPTER B. ADMINISTRATIVE PROVISIONS

Sec. 801.101. PENSION REVIEW BOARD. The State Pension Review Board is an agency of the state.  
Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.101 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 801.102. COMPOSITION OF BOARD. (a) The board is composed of nine members.

(b) Appointments to the board shall be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointees.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.102 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 624, Sec. 1, eff. Sept. 1, 1991; Acts 2001, 77th Leg., ch. 18, Sec. 1, eff. Sept. 1, 2001.

Sec. 801.1021. CONFLICT PROVISIONS. (a) A person is not eligible for appointment as a member of the board if the person or the person's spouse:

(1) is employed by or participates in the management of a business entity or other organization receiving funds from the board;

(2) owns or controls, directly or indirectly, more than a 10 percent interest in a business entity or other organization receiving funds from the board; or

(3) uses or receives a substantial amount of tangible goods, services, or funds from the board, other than compensation or reimbursement authorized by law for board membership, attendance, or expenses.

(b) A person may not serve as a member of the board or act as the general counsel to the board if the person is required to register as a lobbyist under Chapter 305 because of the person's activities for compensation on behalf of a profession related to the operation of the board.

Added by Acts 1991, 72nd Leg., ch. 624, Sec. 2, eff. Sept. 1, 1991.

Sec. 801.103. MEMBERS APPOINTED BY GOVERNOR. (a) The governor shall appoint, with the advice and consent of the senate,

seven members to the board.

(b) The governor shall appoint to the board:

(1) three persons who have experience in the fields of securities investment, pension administration, or pension law but who are not members or retirees of a public retirement system;

(2) one person who is a fellow of the Society of Actuaries, a member of the American Academy of Actuaries, or an enrolled actuary under the federal Employee Retirement Income Security Act of 1974 (29 U.S.C. Sec. 1001 et seq.);

(3) one person who has experience in the field of governmental finance;

(4) one person who is a contributing member of a public retirement system; and

(5) one person who is receiving retirement benefits from a public retirement system.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1989, 71st Leg., ch. 164, Sec. 1, eff. Aug. 28, 1989. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.103 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989 and by Acts 1989, 71st Leg., ch. 1100, Sec. 4.03(a), eff. Sept. 1, 1989.

Sec. 801.104. MEMBERS APPOINTED BY OTHERS. (a) The lieutenant governor shall appoint to the board one member of the senate.

(b) The speaker of the house of representatives shall appoint to the board one member of the house.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.104 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 801.106. TERMS OF OFFICE. Members of the board hold office for staggered terms of six years, with the terms of three members expiring on January 31 of each odd-numbered year.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.106 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 801.1061. REMOVAL. (a) It is a ground for removal from the board that a member:

(1) does not have at the time of taking office the qualifications required by Section 801.103 or 801.104;

(2) does not maintain during service on the board the qualifications required by Section 801.103 or 801.104;

(3) is ineligible for membership under Section 801.1021;

(4) cannot, because of illness or disability, discharge the member's duties for a substantial part of the member's term; or

(5) is absent from more than half of the regularly scheduled board meetings that the member is eligible to attend during a calendar year without an excuse approved by a majority vote of the board.

(b) The validity of an action of the board is not affected by the fact that it is taken when a ground for removal of a board member exists.

(c) If the executive director has knowledge that a potential ground for removal exists, the executive director shall notify the presiding officer of the board of the potential ground. The presiding officer shall then notify the governor and the attorney general that a potential ground for removal exists. If the potential ground for removal involves the presiding officer, the executive director shall notify the next highest ranking officer of the board, who shall then notify the governor and the attorney general that a potential ground for removal exists.

Added by Acts 1991, 72nd Leg., ch. 624, Sec. 3, eff. Sept. 1, 1991. Amended by Acts 2001, 77th Leg., ch. 18, Sec. 2, eff. Sept. 1, 2001.

Sec. 801.1062. TRAINING PROGRAM. (a) A person who is appointed to and qualifies for office as a member of the board may not vote, deliberate, or be counted as a member in attendance at a meeting of the board until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

(1) this chapter;

(2) the programs operated by the board;

(3) the role and functions of the board;

(4) the rules of the board, with an emphasis on the rules that relate to disciplinary and investigatory authority;

- (5) the current budget for the board;
- (6) the results of the most recent formal audit of the board;
- (7) the requirements of:
  - (A) the open meetings law, Chapter 551;
  - (B) the public information law, Chapter 552;
  - (C) the administrative procedure law, Chapter 2001; and
  - (D) other laws relating to public officials, including conflict of interest laws; and
- (8) any applicable ethics policies adopted by the board or the Texas Ethics Commission.

(c) A person appointed to the board is entitled to reimbursement, as provided by the General Appropriations Act, for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

Added by Acts 2001, 77th Leg., ch. 18, Sec. 3, eff. Sept. 1, 2001.

Sec. 801.107. SUNSET PROVISION. The State Pension Review Board is subject to Chapter 325 (Texas Sunset Act). Unless continued in existence as provided by that chapter, the board is abolished and this chapter expires September 1, 2013.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1985, 69th Leg., ch. 479, Sec. 217, eff. Sept. 1, 1985. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.107 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 624, Sec. 4, eff. Sept. 1, 1991; Acts 1991, 72nd Leg., 1st C.S., ch. 17, Sec. 5.18, eff. Nov. 12, 1991; Acts 2001, 77th Leg., ch. 18, Sec. 4, eff. Sept. 1, 2001.

Sec. 801.108. COMPENSATION; EXPENSES. A member of the board is entitled to reimbursement by the state for actual and necessary expenses incurred in performing the functions of the board. A member of the board who also is a member of the legislature is ineligible to receive compensation for service performed as a board member.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1987, 70th Leg., ch. 58, Sec. 1, eff. Sept. 1, 1987. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.108 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 801.109. MEETINGS. The board shall meet at least three times each year and may meet at other times at the call of the presiding officer or as provided by board rule.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.109 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 801.110. PRESIDING OFFICERS. The governor shall designate a member of the board as the presiding officer of the board to serve in that capacity at the will of the governor.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.110 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 2001, 77th Leg., ch. 18, Sec. 5, eff. Sept. 1, 2001.

Sec. 801.111. EXECUTIVE DIRECTOR; EMPLOYEES. (a) The board shall employ an executive director to be the executive head of the board and perform its administrative duties.

(b) The executive director may employ staff members necessary for administering the functions of the board.

(c) The board shall develop and implement policies that clearly separate the policy-making responsibilities of the board and the management responsibilities of the executive director and the staff of the board.

(d) The executive director or the executive director's designee shall develop a system of annual performance evaluations. All merit pay for board employees must be based on the system established under this subsection.

(e) The executive director or the executive director's designee shall provide to board employees information and training on the benefits and methods of participation in the state employee incentive program.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.111 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 624, Sec. 5, eff. Sept. 1, 1991; Acts 2001, 77th Leg., ch. 18, Sec. 6, eff. Sept. 1, 2001.

Sec. 801.1111. EQUAL EMPLOYMENT OPPORTUNITY. (a) The executive director or the executive director's designee shall prepare and maintain a written policy statement that implements a program of equal employment opportunity to ensure that all personnel decisions are made without regard to race, color, disability, sex, religion, age, or national origin.

(b) The policy statement must include:

(1) personnel policies, including policies relating to recruitment, evaluation, selection, training, and promotion of personnel, that show the intent of the board to avoid the unlawful employment practices described by Chapter 21, Labor Code; and

(2) an analysis of the extent to which the composition of the board's personnel is in accordance with state and federal law and a description of reasonable methods to achieve compliance with state and federal law.

(c) A policy statement must:

(1) be updated annually;

(2) be reviewed by the state Commission on Human Rights for compliance with Subsection (b)(1); and

(3) be filed with the governor's office.

(d) The governor's office shall deliver a biennial report to the legislature based on the information received under Subsection (c). The report may be made separately or as a part of other biennial reports made to the legislature.

Added by Acts 1991, 72nd Leg., ch. 624, Sec. 6, eff. Sept. 1, 1991.

Amended by Acts 2001, 77th Leg., ch. 18, Sec. 7, eff. Sept. 1, 2001.

Sec. 801.112. FINANCES AND EQUIPMENT. (a) The executive director may set staff salaries, within the limits of appropriated funds and subject to the approval of the board.

(b) The board may request and use staff assistance, equipment, and office space from the Employees Retirement System of Texas.

(c) The legislature may appropriate funds from the general revenue fund to the board for the payment of staff salaries and operating expenses of the board.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981.

Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.112 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 801.113. FUND. (a) The State Pension Review Board fund is created in the state treasury. Money in the fund may be appropriated only to assist in paying staff salaries, operating and actuarial expenses of the board, and for such activities as defined by Subsection (e) of this section.

(b) In this section:

(1) "Active member" means a person who is on the payroll of an employing entity included in the coverage of a public retirement system and who receives credit in the retirement system for service performed in the position for which the person is paid.

(2) "Annuitant" means a person who receives periodic payments from a public retirement system that are based on service that was credited in the retirement system to a person who was an active member.

(c) The governing board of any public retirement system may vote to make an annual contribution to the State Pension Review Board not to exceed 50 cents for each active member and annuitant of the retirement system as of September 1 of the year for which the contribution is made. The contribution is payable in a lump sum.

(d) Each public retirement system shall certify to the board and to the comptroller of public accounts the amount of the annual contribution to be made under Subsection (c) of this section. The comptroller by rule may prescribe the form and content of certifications. The comptroller shall deposit remittances received under this subsection in the State Pension Review Board fund.

(e) The board is authorized to conduct training sessions, schools, or other educational activities for trustees and administrators of public retirement systems. The board may also furnish other appropriate services such as actuarial studies or other requirements of systems and may establish appropriate fees for these activities and services. The fees may be based on whether or not the trustees, administrators, or systems contribute to the State Pension Review Board fund under Subsection (c) of this section. The net proceeds of these fees shall be deposited in the fund.

(f) Under the provisions of Sections 403.094 and 403.095,

the dedication of the State Pension Review Board fund is reenacted, and the fund is established as a special account within the state treasury dedicated for the purposes defined by Subsections (a) and (e).

Added by Acts 1989, 71st Leg., ch. 893, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 624, Sec. 7, eff. Sept. 1, 1991; Acts 1993, 73rd Leg., ch. 628, Sec. 1, eff. Aug. 30, 1993.

Sec. 801.114. QUALIFICATIONS AND STANDARDS OF CONDUCT. The executive director or the executive director's designee shall provide to members of the board and to board employees, as often as necessary, information regarding the requirements for office or employment under this chapter, including information regarding a person's responsibilities under applicable laws relating to standards of conduct for state officers or employees.

Added by Acts 1991, 72nd Leg., ch. 624, Sec. 8, eff. Sept. 1, 1991. Amended by Acts 2001, 77th Leg., ch. 18, Sec. 8, eff. Sept. 1, 2001.

#### SUBCHAPTER C. POWERS AND DUTIES OF BOARD

Sec. 801.201. RULEMAKING. (a) The board shall adopt rules for the conduct of its business.

(b) For the purpose of performing its duties under Section 801.202(1) or (2), the board by rule may require clarification of information provided by a public retirement system in a report that is required by law and is required to be filed with the board. A rule adopted under this subsection may not be enforced against a public retirement system if compliance with the rule would cause the system to incur a major expense.

(c) The board by rule shall:

(1) adopt a brief standard form that will assist the board in efficiently determining the actuarial soundness and current financial condition of a public retirement system; and

(2) require that a retirement system submitting information required for the review or study described under Section 801.202(1) or (2) include the form with the submission.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1985, 69th Leg., ch. 800, Sec. 1, eff. June 15, 1985. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.201 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 2001, 77th Leg., ch. 18, Sec. 9, eff. Sept. 1, 2001.

Sec. 801.202. GENERAL DUTIES. The board shall:

(1) conduct a continuing review of public retirement systems, compiling and comparing information about benefits, creditable service, financing, and administration of systems;

(2) conduct intensive studies of potential or existing problems that threaten the actuarial soundness of or inhibit an equitable distribution of benefits in one or more public retirement systems;

(3) provide information and technical assistance on pension planning to public retirement systems on request; and

(4) recommend policies, practices, and legislation to public retirement systems and appropriate governmental entities.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.202 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 801.203. REPORTS TO LEGISLATURE AND GOVERNOR. (a) The board shall present to the legislature and the governor, in November of each even-numbered year, a public report explaining the work and findings of the board during the preceding two-year period and including drafts or recommendations of any legislation relating to public retirement systems that the board finds advisable.

(b) The board shall file annually with the governor and the presiding officer of each house of the legislature a complete and detailed written report accounting for all funds received and disbursed by the board during the preceding fiscal year. The annual report must be in the form and reported in the time provided by the General Appropriations Act.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.203 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 624, Sec. 9, eff. Sept. 1, 1991.

Sec. 801.204. INSPECTION OF RECORDS. In performing its functions, the board may inspect the books, records, or accounts of a public retirement system during business hours of the system.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.204 by

Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 801.205. SUBPOENA. (a) The board, if reasonably necessary in the course of performing a board function, may subpoena witnesses or books, records, or other documents. The presiding officer of the board shall issue, in the name of the board, only such subpoenas as a majority of the board may direct.

(b) A peace officer shall serve a subpoena issued by the board. If the person to whom a subpoena is directed fails to comply, the board may bring suit to enforce the subpoena in a district court of the county in which the witness resides or in the county in which the books, records, or other documents are located. If the district court determines that good cause exists for issuance of the subpoena, the court shall order compliance. The district court may modify the requirements of a subpoena that the court determines are unreasonable. Failure to obey the order of the district court is punishable as contempt.

(c) The attorney general shall represent the board in a suit to enforce a subpoena.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 11.205 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 801.206. PUBLIC ACCESS AND TESTIMONY. (a) The board shall prepare and maintain a written plan that describes how a person who does not speak English or who has a physical, mental, or developmental disability may be provided reasonable access to the board's programs.

(b) The board shall develop and implement policies that provide the public with a reasonable opportunity to appear before the board and to speak on any issue under the jurisdiction of the board.

Added by Acts 1991, 72nd Leg., ch. 624, Sec. 10, eff. Sept. 1, 1991.

Sec. 801.207. COMPLAINTS. (a) The board shall maintain a file on each written complaint filed with the board. The file must include:

- (1) the name of the person who filed the complaint;
- (2) the date the complaint is received by the board;
- (3) the subject matter of the complaint;
- (4) the name of each person contacted in relation to the complaint;
- (5) a summary of the results of the review or investigation of the complaint; and
- (6) an explanation of the reason the file was closed, if the board closed the file without taking action other than to investigate the complaint.

(b) The board shall provide to the person filing the complaint and to each person who is a subject of the complaint a copy of the board's policies and procedures relating to complaint investigation and resolution.

(c) The board, at least quarterly until final disposition of the complaint, shall notify the person filing the complaint and each person who is a subject of the complaint of the status of the investigation unless the notice would jeopardize an undercover investigation.

Added by Acts 2001, 77th Leg., ch. 18, Sec. 10, eff. Sept. 1, 2001.