

GOVERNMENT CODE
CHAPTER 843. CREDITABLE SERVICE
SUBCHAPTER A. GENERAL PROVISIONS

Sec. 843.001. TYPES OF CREDITABLE SERVICE. The types of service creditable as credited service in the retirement system are prior service and current service.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 53.001 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 843.002. BENEFIT ELIGIBILITY AND AMOUNT. A member's eligibility to receive a benefit is based on the member's amount of credited service and attained age on the effective date of retirement. The monthly amount of a standard retirement annuity is based on the sum of the member's service credit and accumulated contributions and is computed using the member's attained age and the actuarial assumptions described by Section 841.001(1).

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 53.002 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 2001, 77th Leg., ch. 122, Sec. 11, eff. Dec. 31, 2001.

Sec. 843.003. REESTABLISHING CREDITED SERVICE AND SERVICE CREDIT PREVIOUSLY FORFEITED. (a) An eligible member who has withdrawn contributions from the retirement system may reestablish the forfeited credit in the system if the service on which the credit was based was performed for a participating subdivision the governing body of which by order authorizes reestablishment of the credit by eligible employee members of the subdivision.

(b) A member eligible to reestablish credit under this section is one who is a member as an employee of the subdivision on the effective date of an order authorized by the subdivision under Subsection (a).

(c) A member eligible under this section may reestablish credit by depositing with the retirement system in a lump sum the amount withdrawn from the system, plus a withdrawal charge computed at an annual rate of five percent from the date of withdrawal to the date of redeposit.

(d) A governing body may not make an order under Subsection (a) except on the terms provided by Subchapter H, Chapter 844.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1985, 69th Leg., ch. 491, Sec. 8, eff. June 12, 1985. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 53.003 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 460, Sec. 4, eff. Jan. 1, 1992; Acts 2003, 78th Leg., ch. 621, Sec. 8, 9, eff. Jan. 1, 2004.

Sec. 843.0031. ALTERNATIVE REESTABLISHMENT OF CREDITED SERVICE PREVIOUSLY FORFEITED; OPTION TO PAY LUMP-SUM AMOUNT. (a) A member who has withdrawn contributions from the retirement system and who subsequently resumes employment with a subdivision may by application to the system at any time before retirement reestablish forfeited prior and current credited service.

(b) A member who has withdrawn contributions from the retirement system and who subsequently resumes employment with a subdivision may at any time before retirement pay to the system a lump sum in any amount that does not exceed the actuarial present value of the additional benefits that would have been attributable to the withdrawn contributions.

(c) An amount paid under Subsection (b) is not subject to employer matching contributions, even if the member would otherwise be eligible under an order adopted under Section 843.003.

Added by Acts 2003, 78th Leg., ch. 621, Sec. 10, eff. Jan. 1, 2004.

Sec. 843.004. COMPOSITION OF SERVICE CREDIT. Service credit consists of allocated prior service credit, current service credit, and multiple matching credit as authorized by a participating subdivision and accumulated interest under this subtitle.

Added by Acts 2001, 77th Leg., ch. 122, Sec. 12, eff. Sept. 1, 2001.

SUBCHAPTER B. ESTABLISHMENT OF PRIOR SERVICE GENERALLY

Sec. 843.101. CREDITABLE PRIOR SERVICE. Prior service creditable in the retirement system is service performed as an employee of a participating subdivision before the date the subdivision's participation in the retirement system became effective.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 53.101 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 843.102. ELIGIBILITY FOR PRIOR SERVICE. (a) Except as

provided by Section 843.108, a member is eligible to receive credit in the retirement system for prior service if the member:

(1) became a member as an employee of a subdivision on the effective date of the subdivision's participation in the retirement system; or

(2) became a member as an employee of a subdivision before the fifth anniversary of the effective date of its participation and continues as an employee of the subdivision for at least five consecutive years after reemployment.

(b) The board of trustees may adopt rules concerning eligibility for prior service under Subsection (a).

(c) A person who has withdrawn contributions from an account for service for a subdivision and who subsequently resumes employment with the subdivision is not eligible to receive service credit under this section for prior service for the subdivision that was not established before the person withdrew the contributions.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 53.102 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 460, Sec. 5, eff. Jan. 1, 1992; Acts 2003, 78th Leg., ch. 621, Sec. 11, eff. Jan. 1, 2004.

Sec. 843.103. STATEMENT OF PRIOR SERVICE. A member eligible to receive prior service credit shall claim the credit by filing a detailed statement of the service with the subdivision for which the service was performed. The statement must be filed before the fifth anniversary of the date the person becomes a member as an employee of the subdivision.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 53.103 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 2001, 77th Leg., ch. 122, Sec. 13, eff. Dec. 31, 2001; Acts 2003, 78th Leg., ch. 621, Sec. 12, eff. Jan. 1, 2004; Acts 2005, 79th Leg., ch. 506, Sec. 14, eff. Jan. 1, 2006.

Sec. 843.104. CERTIFICATION OF SERVICE AND AVERAGE COMPENSATION. (a) As soon as practicable after a member files a statement of prior service under Section 843.103, the subdivision employing the officer receiving the statement shall verify the prior service claimed and certify to the board of trustees the amount of service approved and the member's average prior service compensation.

(b) Except as provided by Subsection (c), the average prior service compensation of a member is computed as the average monthly compensation for service performed for the subdivision:

(1) for the 36 months immediately preceding the effective date of the subdivision's participation in the retirement system; or

(2) if the member did not perform service in each of the 36 months immediately preceding participation, for the number of months of service within the 36-month period.

(c) In a computation of average prior service compensation for service performed for a subdivision whose retirement system participation began before January 1, 1978, monthly compensation is excluded to the extent that it exceeds the lower of the following rates of compensation:

(1) the annual compensation for member contributions as determined by the subdivision governing body at the time of its election to participate in the retirement system; or

(2) annual compensation of \$12,000.

(d) The board of trustees may adopt rules concerning verification and certification of service and compensation under this section.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 53.104 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 843.105. DETERMINATION OF ALLOCATED PRIOR SERVICE CREDIT. (a) After receiving a certification of prior service and average prior service compensation under Section 843.104, the board of trustees shall determine the member's maximum and allocated prior service credits.

(b) The maximum prior service credit is an amount equal to the accumulation at interest of a series of equal monthly amounts for the number of months of approved prior service. Each monthly amount equals twice the subdivision's initial deposit rate, times

the member's average prior service compensation. Interest is allowed at the end of each 12-month period on an accumulated amount at the beginning of each period and is credited only for each whole 12-month period. The rate of interest allowed on a maximum prior service credit granted by a subdivision having an effective date of participation in the retirement system after December 31, 1981, is three percent a year.

(c) The allocated prior service credit is the percentage of the maximum prior service credit granted by the subdivision to all members who performed prior service for the subdivision.

(d) Interest is earned on an allocated prior service credit from the effective date of membership to the effective date of retirement at the applicable rate for the period as provided by Section 845.314.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1981, 67th Leg., 1st C.S., p. 209, ch. 18, Sec. 45, eff. Nov. 10, 1981; Acts 1985, 69th Leg., ch. 491, Sec. 10, eff. June 12, 1985. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 53.105 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 460, Sec. 6, eff. Jan. 1, 1992; Acts 1999, 76th Leg., ch. 427, Sec. 14, eff. Dec. 31, 1999; Acts 2001, 77th Leg., ch. 122, Sec. 14, eff. Dec. 31, 2001.

Sec. 843.108. RESTRICTED CREDIT FOR PREVIOUS SERVICE. (a) Subject to approval of the board of trustees of this retirement system, the governing body of a subdivision that has maintained and provided for its employees a locally administered retirement plan that allowed employee members benefits for service performed for the subdivision may, in the order or resolution electing to have the subdivision participate in the retirement system, provide that its employees who become members of this retirement system be allowed creditable service for periods of employment for which the employees would otherwise have been entitled to prior service credit under Section 843.102 but not be allowed an allocated prior service credit under Section 843.105, or other monetary credit, for or by reason of service performed before the effective date of subdivision participation in the retirement system.

(b) A person who becomes a member of the retirement system as an employee of a subdivision that begins participation under an order or resolution adopted under Subsection (a) shall be granted credited service for periods of employment with the subdivision for which the person would otherwise have been allowed prior service credit but is not entitled to an allocated prior service credit for or by reason of the service.

Added by Acts 1991, 72nd Leg., ch. 460, Sec. 7, eff. Jan. 1, 1992.

SUBCHAPTER C. OPTIONAL PRIOR SERVICE

Sec. 843.201. SERVICE CREDIT FOR CERTAIN PUBLIC EMPLOYMENT. (a) The governing body of a participating subdivision by order may authorize the establishment of prior service credit in the retirement system for service performed in a public hospital, utility, or other public facility or governmental function during a time the facility was operated or function was performed by a unit of government other than the subdivision and before:

(1) the effective date of the subdivision's participation in the retirement system, if the facility was acquired or the governmental function was taken over by the subdivision before that date; or

(2) the date of acquisition of the facility or the date the governmental function was taken over, if the facility was acquired or the governmental function was taken over after the effective date of the subdivision's participation in the retirement system.

(b) A member eligible to establish credit under this section after an order under Subsection (a) is one who was employed by a public facility or by an entity performing the governmental function:

(1) on the effective date of subdivision participation, for service under Subsection (a)(1); or

(2) on the date of acquisition of the facility or the date the governmental function was taken over, for service under Subsection (a)(2).

(c) The allocated prior service credit allowable under this section may be limited by the order of the governing body to zero or to any percentage that is a multiple of five percent and that does not exceed the percentage applicable to the computation of

allocated prior service credits for employees of other departments of the subdivision.

(d) Allocated prior service credits are allowable for a subdivision only if:

(1) the subdivision has adopted the provisions for an annually determined contribution rate plan under Subchapter H, Chapter 844; or

(2) the retirement system's actuary determines that the subdivision's unfunded actuarial accrued liability amortization period will be less than 20 years, if the subdivision has not adopted the provisions of Subchapter H, Chapter 844.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1989, 71st Leg., ch. 769, Sec. 2, eff. Aug. 28, 1989. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 53.201 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989; Amended by Acts 1991, 72nd Leg., ch. 16, Sec. 11.04(b), eff. Aug. 26, 1991. Amended by Acts 1995, 74th Leg., ch. 245, Sec. 8, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 427, Sec. 15, eff. Dec. 31, 1999; Acts 2003, 78th Leg., ch. 621, Sec. 13, eff. Jan. 1, 2004.

SUBCHAPTER E. ESTABLISHMENT OF CURRENT SERVICE

Sec. 843.401. CURRENT SERVICE GENERALLY. Current service is service performed by an employee of a participating subdivision while a member of the retirement system and credited as provided under this section. The retirement system shall grant one month of current service for each month for which the required contributions are made, reported, and certified by the employing subdivision.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 53.401 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 2003, 78th Leg., ch. 621, Sec. 16, eff. Jan. 1, 2004.

Sec. 843.403. DETERMINATION OF CURRENT SERVICE CREDIT AND MATCHING CREDIT. (a) As soon as practicable after the end of each calendar year, the board of trustees shall determine a member's current service credit and multiple matching credit.

(b) The current service credit of a member is an amount equal to a percentage of the contributions made by the member to the retirement system during a calendar year. The percentage is determined by the governing body of the employing subdivision at the time of its election to participate in the retirement system, except that the percentage for a subdivision that begins participation after December 31, 1977, is 100 percent.

(c) The multiple matching credit of a member is an amount equal to a percentage of the contributions made by the member to the retirement system during a calendar year. The percentage is 0 percent until a greater percentage is adopted as provided by Section 843.703 or, for a subdivision whose participation in the retirement system began after October 31, 1980, unless a greater percentage is adopted by its governing body before the first anniversary of the subdivision's effective date of retirement system participation, after the actuary has determined and certified that the greater percentage would not impair the ability of the subdivision to amortize, before the 20th anniversary of the participation date, all obligations that are charges against its account in the subdivision accumulation fund. A multiple matching credit includes any portion of a current service credit in effect on January 1, 1978, that exceeds the member's current service credit determined under Subsection (b).

(d) Interest is earned on a current service credit or multiple matching credit from the end of each calendar year to the effective date of the member's retirement at the rate credited annually to a member's individual account in the employees saving fund.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1981, 67th Leg., 1st C.S., p. 210, ch. 18, Sec. 46, eff. Nov. 10, 1981; Acts 1985, 69th Leg., ch. 491, Sec. 11, eff. June 12, 1985. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 53.403 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 460, Sec. 8, eff. Jan. 1, 1992; Acts 1999, 76th Leg., ch. 427, Sec. 17, eff. Dec. 31, 1999; Acts 2001, 77th Leg., ch. 122, Sec. 16, eff. Dec. 31, 2001; Acts 2003, 78th Leg., ch. 621, Sec. 17, eff. Jan. 1, 2004.

SUBCHAPTER F. CURRENT SERVICE FOR LEGISLATIVE SERVICE

Sec. 843.501. LEGISLATIVE SERVICE. (a) A member may establish credited service in the retirement system for service

performed as a member of the legislature. A member claiming credited service for previous legislative service shall file a detailed statement of the service with the subdivision by which the member is currently employed. As soon as practicable after the filing of a statement, the employing subdivision shall verify the service claimed and certify to the board of trustees the amount of service approved.

(b) Credited service may not be established under this section for service that is credited by another retirement system or program established or governed by state law.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 53.501 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1999, 76th Leg., ch. 427, Sec. 18, eff. Dec. 31, 1999; Acts 2001, 77th Leg., ch. 122, Sec. 17, eff. Dec. 31, 2001.

SUBCHAPTER G. OPTIONAL CURRENT SERVICE

Sec. 843.601. CURRENT SERVICE FOR QUALIFIED MILITARY SERVICE. (a) In this section, "qualified military service" means service in the uniformed services, as that term is defined in the Uniformed Services Employment and Reemployment Rights Act of 1994 (38 U.S.C. Section 4301 et seq.), that meets the requirements of that Act as it now exists or is amended as to the character of service performed.

(b) All members of the retirement system are entitled to receive credit for qualified military service that is subject to the Uniformed Services Employment and Reemployment Rights Act of 1994 (38 U.S.C. Section 4301 et seq.). Notwithstanding any provision of this subtitle to the contrary, contributions, benefits, and service credit for qualified military service will be provided in accordance with Section 414(u) of the Internal Revenue Code of 1986. The board of trustees may adopt rules that modify the terms of this subtitle for the purpose of compliance with the provisions of that Act.

(c) The governing body of a participating subdivision also may, on the terms provided by Section 844.704, authorize the establishment of credited service in the retirement system for qualified active duty military service as provided by this subsection. Qualified military service includes military service before becoming an employee of the subdivision. A member eligible to establish credited service under this subsection is one who has credited service in the retirement system for at least the minimum period required to receive a service retirement annuity at the age of 60 from the subdivision from which credit under this subsection is sought. An eligible member may establish credited service under this subsection by filing an application with the retirement system.

(d) A subdivision whose governing body authorized "current service for military duty" before December 31, 1999, has authorized credit for current service under Subsection (c).

(e) Except for credited service established with the retirement system before December 31, 1999, the maximum amount of credited service that a person may receive under this section is five years. If a person would receive more than five years of credited service as a result of having received credit under Subsection (c) before receiving credit under Subsection (b), the retirement system shall cancel credited service under Subsection (c) to the extent necessary to reduce the total to five years of credit.

(f) Credited service may not be established under this section for any month of service that is credited under another section of this subtitle or by another retirement system or program established or governed by state law.

(g) Repealed by Acts 2003, 78th Leg., ch. 621, Sec. 37(4). Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 53.602 by Acts 1981, 67th Leg., 1st C.S., p. 210, ch. 18, Sec. 47, eff. Nov. 10, 1981. Amended by Acts 1985, 69th Leg., ch. 491, Sec. 12, eff. June 12, 1985. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 53.601 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1999, 76th Leg., ch. 427, Sec. 19, eff. Dec. 31, 1999; Acts 2001, 77th Leg., ch. 122, Sec. 18, eff. Dec. 31, 2001; Acts 2003, 78th Leg., ch. 621, Sec. 18, 37(4), eff. Jan. 1, 2004; Acts 2005, 79th Leg., ch. 506, Sec. 15, eff. Jan. 1, 2006.

SUBCHAPTER H. OPTIONAL INCREASES IN SERVICE CREDITS

Sec. 843.701. INCREASE IN PRIOR SERVICE CREDITS. The governing body of a participating subdivision may not increase the percentage of maximum prior service credits used in determining the allocated prior service credits under Section 843.105 except on the terms provided by Subchapter H, Chapter 844. Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 53.701 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1999, 76th Leg., ch. 427, Sec. 20, eff. Dec. 31, 1999.

Sec. 843.703. INCREASE IN MULTIPLE MATCHING CREDITS. The governing body of a participating subdivision may not increase the percentage used in determining multiple matching credits under Section 843.403 except on the terms provided by Subchapter H, Chapter 844. Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1985, 69th Leg., ch. 491, Sec. 14, eff. June 12, 1985. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 53.703 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1999, 76th Leg., ch. 427, Sec. 21, eff. Dec. 31, 1999.