

CHAPTER 785

H.B. No. 2118

AN ACT

relating to credit in the Teacher Retirement System of Texas for certain military service.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Subchapter D, Chapter 823, Government Code, is amended by adding Section 823.3021 to read as follows:

*Sec. 823.3021. SPECIAL MILITARY SERVICE CREDIT. (a) An eligible member may establish service credit in the retirement system for special military service that is creditable under this section.*

*(b) Special military service creditable in the retirement system is active service in the armed forces of the United States that terminated with an honorable discharge.*

*(c) A member eligible to establish credit under this section is one who:*

- (1) is not eligible for federal military retirement benefits;*
- (2) participated in a special separation benefits program established under federal law;*
- (3) became a member not later than the fourth anniversary of the date the person's military service terminated; and*

(4) is a classroom teacher employed by a school district.

(d) A member eligible to establish credit under this section may not qualify for insurance coverage under the Texas Public School Retired Employees Group Insurance Act (Article 3.50-4, Insurance Code) unless the member retires with 10 or more years of membership service credit for actual service in public schools and complies with any other requirements for coverage provided by that article.

(e) A member may not establish credit under this section for more than the lesser of the number of years of active service in the armed forces of the United States that terminated with an honorable discharge or one year less than the number of years of service required to be eligible for federal military retirement benefits.

(f) Not later than the first anniversary of the date the person becomes a member of the retirement system, the member may establish credit under this section by making a lump-sum deposit with the retirement system of:

(1) the actuarial present value of the additional standard service retirement benefit that would be attributable to the credit under this section based on actuarial rates and tables adopted by the board of trustees; and

(2) any membership fees that would have been paid had the service for which credit is sought been performed as a member of the retirement system.

(g) A member must submit an application and any appropriate documents requested by the retirement system to establish service credit under this section.

(h) After a member makes the deposit required by Subsection (f), the retirement system shall grant the member one year of service credit for each year of military service approved under this section.

(i) The retirement system may not use credit established under this section in computing retirement or death benefits until the member has at least five years of service credit for actual service in public schools performed after the date the military service approved under this section was performed.

(j) A deposit made by a member under Subsection (f)(1) is refundable to the member or, if applicable, to the member's beneficiary if the member becomes eligible to receive federal military retirement benefits, if the member's beneficiary becomes eligible to receive federal military retirement benefits based on the member's service, or if credit established under this section is not used in determining benefits. Before paying a retirement or death benefit that is computed using service credit established under this section, the retirement system may require proof of ineligibility to receive federal military retirement benefits.

(k) A person who receives any credit under this section may not establish credit under Sections 823.301 and 823.302.

(l) This section expires on the earlier of:

(1) September 1, 2001; or

(2) the effective date of a federal law that permits military retirement credit for state or local governmental service, including public school service.

SECTION 2. Section 825.307(a), Government Code, is amended to read as follows:

(a) The retirement system shall deposit in a member's individual account in the member savings account:

(1) the amount of contributions to the retirement system that is deducted from the member's compensation;

(2) the portion of a deposit made on or after resumption of membership that represents the amount of retirement benefits received;

(3) the portion of a deposit to reinstate service credit previously canceled that represents the amount withdrawn or refunded;

(4) the portion of a deposit to establish membership service credit previously waived that is required by Section 823.202(b)(1);

(5) the portion of a deposit to establish membership service credit for service performed after retirement that is required by Section 823.502(c)(3) or (c)(5);

(6) the portion of a deposit to establish military service credit required by Section 823.302(c);

(7) the portion of a deposit to establish equivalent membership service credit required by Section 823.401(d), ~~or~~ 823.402(e)(1) or (e)(2), *or 823.3021(f)(1)*; and

(8) interest earned on money in the account as provided by Subsections (b) and (c) and Section 825.313(b)(1).

SECTION 3. Section 825.312(a), Government Code, is amended to read as follows:

(a) The retirement system shall deposit in the expense account:

(1) all membership fees required by this subtitle, *including the fees under Section 823.3021(f)(2)*; and

(2) money required to be deposited in the account by Section 825.313(b)(3) or 825.313(c).

SECTION 4. This Act may not be interpreted as in any manner limiting the authority of the board of trustees of the Teacher Retirement System of Texas under Section 825.506, Government Code, to take any action, including the deletion, with retroactive effect, of any of the provisions of Section 823.3021, Government Code, as added by this Act, the board of trustees determines is necessary to maintain the qualification of the retirement system's benefit plan under Section 401(a) of the Internal Revenue Code of 1986 (26 U.S.C. Section 401(a)).

SECTION 5. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on May 12, 1993, by a non-record vote; passed by the Senate on May 30, 1993: Yeas 29, Nays 2.

Approved June 17, 1993.

Effective Aug. 30, 1993, 90 days after date of adjournment.