

CHAPTER 39

S.B. No. 81

AN ACT

relating to contributions to and benefits provided by certain statewide retirement systems; providing for appropriation reductions.

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

SECTION 1. Subchapter B, Chapter 814, Government Code, is amended by adding Section 814.1051 to read as follows:

Sec. 814.1051. RETIREMENT INCENTIVE FOR EMPLOYEE CLASS. (a) Instead of the standard service retirement annuity payable under Section 814.105, a member who retires under this section is entitled to a standard service retirement annuity for service credited in the employee class of membership in an amount computed as the member's average monthly compensation for service in that class for the 36 highest months of compensation multiplied by 2.25 percent for each year of service credit in that class.

(b) A member eligible to retire under this section is one who:

- (1) meets minimum age and service requirements under Section 814.104;
- (2) applies for service retirement;
- (3) holds a position included in the employee class of membership on the date the application is filed; and
- (4) designates an effective date of retirement that is after August 31, 1993, but before September 1, 1995, and is the later of September 30, 1993, or the earliest date that the member's retirement may become effective.

(c) The minimum and maximum amounts of a standard service retirement annuity under Section 814.105(b) apply to an annuity computed under this section. Instead of the standard service retirement annuity payable under this section, a member who retires under this section may elect to receive an optional service retirement annuity provided under Section 814.108, actuarially reduced from the annuity computed under this section.

(d) An application for service retirement under this section by a member eligible to retire under this section becomes irrevocable on the designated effective date of retirement unless the board of trustees has received a written notice of revocation before that date.

(e) The retirement system shall report to the comptroller the name*of each person who retires under this section, the effective date of the person's retirement, and the amount of compensation paid to the person for the last month of employment. The retirement system shall submit reports under this subsection at the times and in the manner the comptroller provides.

(f) This section expires September 1, 1995.

SECTION 2. Subchapter B, Chapter 814, Government Code, is amended by adding Section 814.1071 to read as follows:

Sec. 814.1071. RETIREMENT INCENTIVE FOR CERTAIN PEACE OFFICERS. (a) A member who is at least 50 years old and is eligible to retire under Section 814.107 is entitled to retire in the manner and under the terms provided by Section 814.1051 and receive a combined service retirement annuity under Section 814.107, increased by the amount that an annuity computed under Section 814.1051 exceeds the amount of a comparable annuity computed under Section 814.105. The annuity is actuarially reducible if an optional annuity is selected under Section 814.108.

(b) The amount by which a combined service retirement annuity payable under this section exceeds a combined service retirement annuity payable under Section 814.107 is payable from the trust fund established by Section 815.310.

(c) This section expires September 1, 1995.

SECTION 3. Subsection (a), Section 814.601, Government Code, is amended to read as follows:

(a) Except as provided by Subsections (b) and (e), on the first day of each fiscal year, the retirement system shall increase the amounts of annuities that are:

(1) computed as provided by Section 814.105 or a predecessor to that section, Section 814.1051, Section 814.206 or a predecessor to that section, or if the standard annuity is derived from Section 814.105 or a predecessor, as provided by Section 814.108 or a predecessor to that section;

(2) based on service that was credited in the retirement system as employee class service; and

(3) payable to a retiree of the retirement system, to the survivor of a retiree of the retirement system, or to the survivor of a deceased member of the retirement system.

SECTION 4. (a) The comptroller shall identify to the Legislative Budget Board state agencies that have achieved salary savings because of service retirements under Section 814.1051, Government Code, as added by this Act, and the amounts of the savings.

(b) After receiving information under Subsection (a) of this section, the Legislative Budget Board shall reduce appropriations made for the fiscal years ending August 31, 1994, and August 31, 1995, to specified agencies that have achieved salary savings under Section

814.1051, Government Code, as added by this Act. The board shall make reductions in general revenue appropriations of at least \$13,411,000 not later than November 1, 1993, and additional reductions of at least \$27,340,000 not later than November 1, 1994.

(c) If the Legislative Budget Board does not make reductions in the amounts and within the periods provided by Subsection (b) of this section, the comptroller shall make across the board reductions on all agencies' appropriations to achieve a total general revenue reduction for the fiscal biennium ending August 31, 1995, of \$40,751,000.

SECTION 5. (a) Notwithstanding Subsection (e), Section 815.403, Government Code, the comptroller may not make monthly payments from any fund or account to the state accumulation account of the trust fund for the Employees Retirement System of Texas during June, July, or August of 1995, except as provided by Subsection (b) of this section. On September 1, 1995, the comptroller shall make the payments for those months deferred by this section.

(b) Each month in which any portion of a payment deferred by this section remains unpaid, the comptroller shall transfer to the state accumulation account of the trust fund for the Employees Retirement System of Texas from the general revenue fund an amount certified by the Employees Retirement System of Texas that is equal to the greater of eight percent of or the rate of yield that would have been earned on the unpaid deferred amount if monthly contributions to the Employees Retirement System of Texas had been made as provided by Subsection (e), Section 815.403, Government Code, for that month and for each previous month of the fiscal year in which the payments have been deferred as provided by this section and had been invested.

SECTION 6. (a) Notwithstanding Subsection (c), Section 403.093, Government Code, the comptroller may not make monthly payments from the general revenue fund to the state contribution account of the trust fund for the Teacher Retirement System of Texas during June, July, or August of 1995, except as provided by Subsection (b) of this section. Not later than September 3, 1995, the comptroller shall make the payments for those months deferred by this section.

(b) Each month in which any portion of a payment deferred by this section remains unpaid, the comptroller shall transfer to the state contribution account of the trust fund for the Teacher Retirement System of Texas from the general revenue fund an amount certified by the Teacher Retirement System of Texas that is equal to the greater of eight percent of or the rate of yield that would have been earned on the unpaid deferred amount if monthly contributions to the Teacher Retirement System of Texas had been made as provided by Subsection (c), Section 403.093, Government Code, for that month and for each previous month of the fiscal year in which the payments have been deferred as provided by this section and had been invested.

SECTION 7. Section 21.02, Chapter 4, Acts of the 72nd Legislature, 1st Called Session, 1991, is repealed.

SECTION 8. 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 the Senate on March 3, 1993: Yeas 31, Nays 0; the Senate concurred in House amendments on April 6, 1993: Yeas 30, Nays 0; passed the House, with amendments, on April 1, 1993: Yeas 131, Nays 0, one present not voting.

Approved April 22, 1993.

Effective April 22, 1993.