

CHAPTER 3

S.B. No. 108

AN ACT

relating to accounting procedures regarding the retirement annuity reserve account of the Employees Retirement System of Texas.

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

SECTION 1. Subsection (c), Section 25.314, Title 110B, Revised Statutes, as amended, is amended to read as follows:

(c) As of the last day of each fiscal year, the board of trustees shall transfer from the interest account to the retirement annuity reserve account an amount equal to:

- (1) five percent of the mean amount in the retirement annuity reserve account for that fiscal year; or
- (2) *an amount computed at a greater rate if the actuary recommends the greater rate to finance adequately the annuities payable from the retirement annuity reserve account.*

SECTION 2. Subchapter D, Chapter 25, Title 110B, Revised Statutes, as amended, is amended by adding Section 25.318 to read as follows:

*Sec. 25.318. TRANSFER OF ASSETS TO ADJUST AMOUNT IN RETIREMENT ANNUITY RESERVE ACCOUNT. After making the transfers required by Section 25.314 of this subtitle, the board of trustees shall make a transfer to make the amount in the retirement annuity reserve account equal, as of the last day of each fiscal year, to the actuarial present value of the annuities for which a transfer of assets has been made as required by Section 25.315 of this subtitle. The transfer shall be:*

- (1) *a transfer from the retirement annuity reserve account to the state accumulation account of the amount by which the amount in the retirement annuity reserve account exceeds the actuarial present value of the annuities; or*
- (2) *a transfer from the state accumulation account to the retirement annuity reserve account of the amount by which the actuarial present value of the annuities exceeds the amount in the retirement annuity reserve account.*

**SECTION 3.** 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 February 2, 1987, by the following vote: Yeas 30, Nays 0. Passed the House on March 5, 1987, by the following vote: Yeas 141, Nays 0, one present not voting.

Approved March 12, 1987.

Effective March 12, 1987.