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1 By: _____ .B. No. _____

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A BILL TO BE ENTITLED

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AN ACT

5 Relating to the Texas County and District Retirement System.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

7 SECTION 1. Section 842.003, Government Code, is added
8 to read as follows:

9 Sec. 842.003. AUTHORITY OF PARTICIPATING SUBDIVISION.

10 (a) A participating subdivision may reduce or increase matching
11 contributions for its members. A participating subdivision may
12 reduce matching contributions if the subdivision agrees to be
13 contractually and legally bound to all benefits accrued before
14 the date of altering matching contributions.

15 (b) A participating subdivision may create and fund additional
16 and distinct membership classes which, in the discretion of the
17 subdivision, provide for different contribution benefits.

18 SECTION 2. Section 842.052, Government Code, is amended
19 to read as follows:

20 Sec. 842.052. VOLUNTARY TERMINATION OF PARTICIPATION.

21 ~~(a) With the consent of the board of trustees, a~~ A subdivision
22 ~~other than a county~~ may voluntarily terminate its participation,
23 or the participation of a class of members, in the retirement
24 system if the subdivision agrees to be contractually and legally
25 bound, on terms approved by the board, to fund:

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1 (1) all benefits accrued before the date specified in
2 the termination agreement and payable on or after that date in
3 accordance with Subsection (e); and

4 (2) all supplemental annuities.

5 (b) Beginning with the date specified in the termination
6 agreement, additional employee contributions or deposits may not
7 be made to a member's account and additional service with the
8 subdivision may not be credited to a member, except as
9 authorized by the board. Except as otherwise provided by this
10 section, all other retirement plan provisions then in effect
11 remain in effect.

12 (c) Beginning with the date specified in the termination
13 agreement, the subdivision's account in the subdivision
14 accumulation fund ceases to receive allocations under this
15 subtitle for any prior, current, or future plan year, except as
16 authorized by the board.

17 (d) On full performance of the termination agreement, the
18 subdivision is released from all liability for its accrued
19 benefits and supplemental annuities. The retirement system
20 shall make transfers from the subdivision's account to the
21 appropriate funds within the system in amounts actuarially
22 equivalent to the accrued benefits and supplemental
23 annuities. The retirement system shall pay any amounts
24 remaining in the subdivision's account after satisfaction of all
25 the subdivision's pension liabilities to the subdivision or its

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1 governmental successor in interest in accordance with Section
2 845.317(b).

3 (e) On full performance of the termination agreement, each
4 member who has not received a refund of accumulated
5 contributions becomes fully vested in the member's accrued
6 benefits with respect to the subdivision and is immediately
7 eligible to retire with a service retirement annuity or to take
8 a distribution of the accrued benefits in a lump sum, regardless
9 of age, service, or employment.

10 (f) A member vested under Subsection (e) or Section
11 842.051(a) is an eligible member under Section 844.407. For the
12 purpose of determining any death benefit payable under Section
13 844.402, the member's individual account consists only of the
14 deposits and contributions made by the member and the
15 accumulated interest attributable to those amounts.

16 Added by Acts 2005, 79th Leg., Ch. 506, Sec. 6, eff. January 1,
17 2006. Amended by: Acts 2007, 80th Leg., R.S., Ch. 873, Sec. 8,
18 eff. January 1, 2008.

19 SECTION 3. This Act takes effect immediately if it
20 receives a vote of two-thirds of all the members elected to each
21 house, as provided by Section 39, Article III, Texas
22 Constitution. If this Act does not receive the vote necessary
23 for immediate effect, this Act takes effect September 1, 2011.

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