

By: Stephenson

H.B. No. 1416

A BILL TO BE ENTITLED

AN ACT

relating to authorizing public retirement systems to study the cost-effectiveness and feasibility of implementing certain pension revenue enhancement strategies.

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

SECTION 1. (a) In this section:

(1) "Governing body of a public retirement system" and "public retirement system" have the meanings assigned by Section 802.001, Government Code.

(2) "Pension revenue enhancement strategy" means a strategy by which a public retirement system obtains a life insurance policy for each employee participating in the retirement system, with the employee's consent, held in a separate trust for the benefit of the retirement system. On the death of the employee, the proceeds of the life insurance policy would be payable to the public retirement system and added to the retirement system's assets.

(b) The governing body of a public retirement system may conduct a study to evaluate the cost-effectiveness and feasibility of implementing a pension revenue enhancement strategy to create an additional source of funding to address potential deficiencies in funding the retirement system's liabilities.

(c) Not later than September 1, 2018, the governing body of a public retirement system that completes a study described by

1 Subsection (b) of this section shall submit a written report to the
2 legislature and the standing committees of the house of
3 representatives and senate that have primary jurisdiction over
4 state pension systems containing the findings of the study together
5 with the governing body's recommendations regarding the
6 cost-effectiveness and feasibility of implementing a pension
7 revenue enhancement strategy.

8 (d) This Act expires December 31, 2018.

9 SECTION 2. This Act takes effect September 1, 2017.