

1-1 By: Huffman S.B. No. 1738
 1-2 (In the Senate - Filed February 27, 2025; March 13, 2025,
 1-3 read first time and referred to Committee on Finance;
 1-4 March 24, 2025, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 15, Nays 0; March 24, 2025,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			
1-23	X			

1-24 COMMITTEE SUBSTITUTE FOR S.B. No. 1738 By: Huffman

1-25 A BILL TO BE ENTITLED
 1-26 AN ACT

1-27 relating to the Judicial Retirement System Plan Two, including
 1-28 resuming service in the retirement system and contributions to the
 1-29 retirement system.

1-30 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-31 SECTION 1. Section 837.102(a), Government Code, is amended
 1-32 to read as follows:

1-33 (a) A retiree who resumes service as a judicial officer
 1-34 other than by assignment described in Section 837.101 may not
 1-35 rejoin or receive credit in the retirement system for the resumed
 1-36 service, except ~~[unless an election is made]~~ as provided by Section
 1-37 837.103.

1-38 SECTION 2. Section 837.103, Government Code, is amended by
 1-39 amending Subsections (b) and (c) and adding Subsections (b-1),
 1-40 (b-2), (c-1), and (c-2) to read as follows:

1-41 (b) Notwithstanding Sections 837.001(c) and 837.002(2) and
 1-42 subject to the requirements of this section ~~[Subsection (d)]~~, a
 1-43 retiree who resumes full-time service as a judicial officer other
 1-44 than by assignment described in Section 837.101 ~~[described by~~
 1-45 ~~Section 837.102(a)]~~ may elect to rejoin the retirement system as a
 1-46 member ~~[and receive service credit in the system for resuming~~
 1-47 ~~service as a judicial officer]~~ if, before taking the oath of office,
 1-48 the retiree has been separated from judicial service for at least
 1-49 six full consecutive months.

1-50 (b-1) The retiree shall provide notice of an ~~[the]~~ election
 1-51 to rejoin the retirement system under this section:

1-52 (1) not later than the 60th day after the date the
 1-53 retiree takes the oath of office; and

1-54 (2) in the form and manner prescribed by the system.

1-55 (b-2) A person who rejoins the retirement system under this
 1-56 section shall resume making member contributions at the rate of 9.5
 1-57 percent of the person's state compensation.

1-58 (c) For a person who rejoins the retirement system ~~[makes an~~
 1-59 ~~election]~~ under this section and completes at least 24 months of
 1-60 resumed judicial service, on the person's subsequent retirement
 1-61 from resumed service ~~[the resumption of annuity payments that have~~
 1-62 ~~been suspended under Section 837.102]~~, the retirement system shall
 1-63 recompute the annuity selected at the time of the person's original

2-1 retirement to reflect:

2-2 (1) the highest annual state salary earned by the
 2-3 person while holding a judicial office included within the
 2-4 membership of the retirement system; and

2-5 (2) [~~to include~~] the [person's] additional service
 2-6 credit established during the person's period of resumed service
 2-7 [~~membership under this section~~].

2-8 (c-1) For a person who rejoins the retirement system under
 2-9 this section but who does not complete at least 24 months of resumed
 2-10 service, on the person's subsequent retirement from resumed
 2-11 service, the retirement system shall:

2-12 (1) resume annuity payments suspended under Section
 2-13 837.102; and

2-14 (2) issue the person a refund of the person's
 2-15 accumulated member contributions made during the person's period of
 2-16 resumed service.

2-17 (c-2) If, at the time of the person's original retirement, a
 2-18 [~~the~~] person described by Subsection (c) or (c-1) selected an
 2-19 optional retirement annuity payable under Section 839.103(a)(3) or
 2-20 (4), the retirement system shall reduce the number of months of
 2-21 payments by the number of months for which the annuity was paid
 2-22 before the person resumed service.

2-23 SECTION 3. Section 840.1025(b), Government Code, is amended
 2-24 to read as follows:

2-25 (b) A member who elects to make contributions under
 2-26 Subsection (a) shall contribute 9.5 [~~six~~] percent of the member's
 2-27 state compensation for each payroll period in the manner provided
 2-28 by Sections 840.102(b)-(f).

2-29 SECTION 4. Section 840.1027(b), Government Code, is amended
 2-30 to read as follows:

2-31 (b) A member who elects to make contributions under
 2-32 Subsection (a) shall contribute 9.5 [~~six~~] percent of the member's
 2-33 state compensation for each payroll period in the manner provided
 2-34 by Sections 840.102(b)-(f).

2-35 SECTION 5. Section 837.103(e), Government Code, is
 2-36 repealed.

2-37 SECTION 6. (a) Except as provided by Subsection (c) of this
 2-38 section, Sections 837.102 and 837.103, Government Code, as amended
 2-39 by this Act, apply only to:

2-40 (1) a former retiree of the Judicial Retirement System
 2-41 of Texas Plan Two who, on the effective date of this Act, holds a
 2-42 judicial office and has resumed membership in the retirement
 2-43 system; or

2-44 (2) a retiree who, on or after the effective date of
 2-45 this Act, resumes service as a judicial officer holding a judicial
 2-46 office included in the membership of the retirement system.

2-47 (b) A person described by Subsection (a)(1) of this section
 2-48 may purchase service credit for resumed judicial service performed
 2-49 before the effective date of this Act, including service performed
 2-50 before June 18, 2023, by depositing with the Judicial Retirement
 2-51 System of Texas Plan Two, for each month of service credit, member
 2-52 contributions calculated by multiplying 9.5 percent by the person's
 2-53 monthly judicial state salary on the effective date of this Act.
 2-54 Not later than September 1, 2027, the person must purchase service
 2-55 credit under this subsection and make the required deposits.

2-56 (c) Section 837.103(b-1)(1), Government Code, as added by
 2-57 this Act, applies only to an election to rejoin the Judicial
 2-58 Retirement System of Texas Plan Two under Section 837.103,
 2-59 Government Code, made on or after the effective date of this Act.

2-60 SECTION 7. Section 5 of this Act takes effect immediately if
 2-61 this Act receives a vote of two-thirds of all the members elected to
 2-62 each house, as provided by Section 39, Article III, Texas
 2-63 Constitution. If this Act does not receive the vote necessary for
 2-64 immediate effect, Section 5 has no effect.

2-65 SECTION 8. Except as otherwise provided by this Act, this
 2-66 Act takes effect September 1, 2025.

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