By: Huffman S.B. No. 2224

(In the Senate - Filed March 8, 2019; March 21, 2019, read first time and referred to Committee on State Affairs; March 27, 2019, reported favorably by the following vote: Yeas 9, Nays 0; March 27, 2019, sent to printer.)

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A BILL TO BE ENTITLED
AN ACT

relating to requiring a public retirement system to adopt a written funding policy.

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

SECTION 1. Subchapter C, Chapter 802, Government Code, is amended by adding Section 802.2011 to read as follows:

Sec. 802.2011. FUNDING POLICY. (a) In this section:

(1) "Funded ratio" means the ratio of a public retirement system's actuarial value of assets divided by the system's actuarial accrued liability.

(2) "Governmental entity" has the meaning assigned by Section 802.1012.

(b) The governing body of a public retirement system shall:

(1) adopt a written funding policy that details the governing body's plan for achieving a funded ratio of the system that is equal to or greater than 100 percent;

(2) maintain for public review at its main office a copy of the policy;

(3) file a copy of the policy and each change to the policy with the board not later than the 31st day after the date the policy or change, as applicable, is adopted; and

(4) submit a copy of the policy and each change to the policy to the system's associated governmental entity not later than the 31st day after the date the policy or change is adopted.

SECTION 2. Not later than January 1, 2020, each public retirement system shall adopt a funding policy as required by Section 802.2011, Government Code, as added by this Act.

SECTION 3. This Act takes effect September 1, 2019.

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