

**House Bill 2821 and Senate Bill 1337 (*Committee Substitute*)**  
**Proposed Changes to the TMRS Act, 86<sup>th</sup> Legislative Session**  
(Annotated with the appropriate bill section number)

1. **Board Meetings.** Modifies current board meeting requirements by: 1) removing month-specific meeting requirements, 2) allowing the Board to determine when to hold those meetings, 3) allowing Board members to participate via video or conference call, and 4) during meetings called in accordance with the Open Meetings Act, permitting Board members to discuss specific matters in executive session. The Board would still be required to meet at least four times annually. (*Sections 17 & 20*)
2. **Immunity and Liability Protection.** Incorporates common law liability protections for the Board, staff, and members of Board-appointed committees or the TMRS medical board. Brings the TMRS statute in line with the other Texas statewide systems' statutes by expressly providing protection for acts or omissions made in good faith in the performance of duties for the retirement system. (*Section 2*)
3. **Legal Advisor.** Removes the requirement that the Board-appointed attorney (i.e., the General Counsel) represent the System in all litigation. Clarifies that the System may hire additional legal counsel to represent the System in litigation and provide advice on fiduciary and legal matters. (*Sections 24 & 25*)
4. **Confidential Information/Audit Working Papers.** Maintains existing confidentiality provisions for member and retiree personal information but supplements them with provisions in the Public Information Act. (*Sections 21 & 22*) Similar supplemental provisions reside in the acts specific to the other statewide retirement systems. Adds protection for audit working papers. Final audit reports, unless otherwise protected, would continue to be open records. (*Section 18*)
5. **Investment of Assets / Definition of Security.** Updates the definition of security to better reflect the diversification of TMRS' investment portfolio. The proposed language is similar to that of other statewide retirement systems' statutory provisions. (*Section 26*)
6. **Providing Electronic Information to Members and Retirees.** Provides TMRS with explicit authority to distribute member and retiree annual statements and other information electronically to members and retirees in addition to the current paper and mail formats. Similar authority has been provided to other statewide retirement systems. (*Section 23*)
7. **Amortization Periods.** Specifies that the maximum amortization period for a city's actuarial accrued liability is 30 years and clarifies the Board's authority to set amortization periods. Removes the ability of cities to request an amortization period up to 40 years. Establishes statutory consistency with PRB guidelines and parity with other Texas statewide retirement systems. (*Sections 1, 19 & 27*)
8. **Prior Service Credit/Updated Service Credit.** Prior service credit (PSC) applies to cities that join TMRS to provide recognition of service performed before the city joins the System. The Texas Constitution (Sec. 67[a][2]) prohibits credit in more than one public retirement system for the same period of service. In some cases, this prohibition may affect the ability of a city to, for example, add a new department to TMRS or close an existing plan to move new employees to TMRS. The amendment would allow a city to choose a PSC rate of 0% to comply with the Constitution (currently the lowest rate is 10%). It also eliminates the excluded prior service credit from the calculation of updated service credit (USC). Allows for the recalculation of USC when a person buys-back service and retires in the same year. (*Sections 1, 3 through 10 & 28*)
9. **Occupational Disability.** Removes statutory references to the obsolete disability retirement program which was replaced by occupational disability in 1987. (*Section 11*) Updates and modernizes TMRS' occupational disability provisions. Specifically provides TMRS with the authority to request a subsequent medical determination to verify a retiree's occupational disability and removes the earnings test, which is not used by other cash balance-based pension plans. (*Sections 12 through 16, 28 & 29*)