Selected State Legislation Affecting ORP

SB 292	60th Legislature (1967), p. 1955, Ch. 729, eff, 08/28/1967 Originating legislation for the Optional Retirement Program (Art. 2922-1i, V.C.S.).
SB 279	61st Legislature (1969), Ch. 235, eff. 09/01/1969 Technical corrections, including provision for salary reduction agreements in lieu of payroll deductions.
SB 528	61st Legislature (1969), p. 2297, Ch. 774, eff. 09/01/1969 Coordinating Board added to list of ORP employers; TEA and CB added to list of TDA employers.
SB 421	62nd Legislature (1971), p. 2807, Ch. 909, eff. 06/15/1971 Vesting at one or more institutions (rather than at just one institution).
HB 1657	62nd Legislature (1971), p. 3357, 3363, Ch. 1024, Art. 2, §35, §48, eff. 09/01/1971 ORP statute codified in Education Code, Title 3, Ch. 51, Subch. G (§§ 51.351 - 51.358).
HB 1633	63rd Legislature (1973), p. 1368, Ch. 521, eff. 06/14/1973 ORP statute references Internal Revenue Code Section 403(b) annuities; benefits are available only under specific circumstances; a transfer between institutions is not a termination; institutions must accept transfer of ORP from another Texas ORP institution.
HB 848	66th Legislature (1979), p. 1035, Ch. 465, §1, eff. 09/01/1979 ORP participants who had previously been in TRS could rejoin TRS during FY80; after FY80, vested ORP participants are not eligible for TRS membership unless they terminate all Texas public higher education and then return after intervening TRS service (*e.g.*, at an ISD).
HB 1719	67th Legislature (1981), Ch. 441, eff. 06/11/1981 ORP contributions may be used to purchase any type of investment authorized by Section 403(b) of the Internal Revenue Code (allows investments in mutual funds via a 403(b)(7) custodial account rather than being restricted to investments in 403(b)(1) annuity contracts).
HB 1932	67th Legislature (1981), p. 1876, Ch. 453, eff. 09/01/1981 Public retirement system laws are codified: ORP statute becomes Chapter 36, Title 110B, Public Retirement Systems, Texas Revised Civil Statutes.
HB 126	67th Legislature, 1st Called Session (1981), Ch. 18, eff. 11/10/1981 Includes changes made in 67th, Regular Session, in re-codification.
SB 1301	70th Legislature (1987), Ch. 173, eff. 08/31/1987 ORP benefits may be distributed to active participants upon attainment of age 70½ as required by the federal Tax Reform Act of 1986 (although subsequent federal legislation provided minimum distribution exemption until termination of employment); salary reduction required.
HB 10	70th Legislature, 2nd Called Session (1987), Ch. 58, eff. 10/20/1987 "Faculty" redefined under ORP; Coordinating Board given rulemaking authority to define eligibility for ORP participation; existing participants who do not meet the revised definition are "grandfathered" in ORP but new hires in those positions are not ORP-eligible.

Selected State Legislation Affecting ORP

HB 487	71st Legislature (1989), Ch. 1161, eff. 06/16/1989 ORP funds may be used to pay investment advisor fees under certain conditions.
SB 187	71st Legislature (1989), Ch. 616, eff. 09/01/1989 IRS regulations regarding qualified domestic relations orders (QDROs) are incorporated into the public retirement system laws as Chapters 76-78, Title 110B, Public Retirement Systems, Texas Revised Civil Statues (now re-codified as Chapter 804, Texas Government Code).
SB 1045	71st Legislature (1989), Ch. 179, eff. 09/01/1989 Public retirement system laws are re-codified: ORP statute changed from Chapter 36, Title 110B, Public Retirement Systems, Texas Revised Civil Statutes, to Chapter 830, Texas Government Code.
HB 2885	72nd Legislature (1991), Ch. 391, §78, eff. 07/01/1991 Education reform bill included: Commissioner of Education may elect ORP.
HB 2	72nd Legislature (1991), Ch. 242, eff. 09/01/1991 Insurance reform bill included: higher education group insurance programs (except UT and A&M) consolidated under the ERS UGIP for state employees; Administrative Council dissolved; Administrative Council's ORP uniformity responsibilities transferred to the Coordinating Board.
HB 2032	74th Legislature (1995), Ch. 736, §2, eff. 06/15/1995 ORP statute amended to conform to Internal Revenue Code 401(a)(17) limits on compensation taken into account under the plan, with "grandfathering" of current participants.
HB 724	75th Legislature (1997), Ch. 1359, eff. 09/01/1997 Institutions must remit ORP contributions to companies by the third business day after legal availability of the funds and use electronic funds transfer when possible.
SB 1460	75th Legislature (1997), Ch. 697, eff. 06/17/1997 Institutions may establish a 415(m) plan for ORP contributions in excess of IRS limits.
SB 1128	76th Legislature (1999), Ch. 1540, eff. 09/01/1999 TRS "omnibus" bill included: TRS members cannot establish TRS service credit for years of ORP participation (restatement of constitutional prohibition against credit in two public retirement programs for same service).
SB 1130	76th Legislature (1999), Ch. 1541, eff. 09/01/1999 ERS "omnibus" bill included: ERS members can count years of ORP participation when determining eligibility for ERS service or disability retirement (but not for amount of benefit).
HB 264	78th Legislature (2003), Ch. 418, eff. 06/20/2003 Allows supplemental employer contributions up to 2.5% for all participants (not just grandfathered); amends definition of grandfathered; allows two different supplemental rates (one for each group).

prepared by Texas Higher Education Coordinating Board staff (rev. 02/2010)