

## Selected State Legislation Affecting ORP

<b>SB 292</b>	60 <sup>th</sup> Legislature (1967), p. 1955, Ch. 729, eff. 08/28/1967 Originating legislation for the Optional Retirement Program (Art. 2922-1i, V.C.S.).
<b>SB 279</b>	61 <sup>st</sup> Legislature (1969), Ch. 235, eff. 09/01/1969 Technical corrections, including provision for salary reduction agreements in lieu of payroll deductions.
<b>SB 528</b>	61 <sup>st</sup> 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.
<b>SB 421</b>	62 <sup>nd</sup> Legislature (1971), p. 2807, Ch. 909, eff. 06/15/1971 Vesting at one or more institutions (rather than at just one institution).
<b>HB 1657</b>	62 <sup>nd</sup> 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).
<b>HB 1633</b>	63 <sup>rd</sup> 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.
<b>HB 848</b>	66 <sup>th</sup> 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).
<b>HB 1719</b>	67 <sup>th</sup> 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).
<b>HB 1932</b>	67 <sup>th</sup> 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.
<b>HB 126</b>	67 <sup>th</sup> Legislature, 1st Called Session (1981), Ch. 18, eff. 11/10/1981 Includes changes made in 67th, Regular Session, in re-codification.
<b>SB 1301</b>	70 <sup>th</sup> 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.
<b>HB 10</b>	70 <sup>th</sup> 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.
<b>HB 487</b>	71 <sup>st</sup> Legislature (1989), Ch. 1161, eff. 06/16/1989 ORP funds may be used to pay investment advisor fees under certain conditions.

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<p><b>SB 187</b>      71<sup>st</sup> Legislature (1989), Ch. 616, eff. 09/01/1989</p> <p>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 Statutes (now re-codified as Chapter 804, Texas Government Code).</p>
<p><b>SB 1045</b>      71<sup>st</sup> Legislature (1989), Ch. 179, eff. 09/01/1989</p> <p>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.</p>
<p><b>HB 2885</b>      72<sup>nd</sup> Legislature (1991), Ch. 391, §78, eff. 07/01/1991</p> <p>Education reform bill included: Commissioner of Education may elect ORP.</p>
<p><b>HB 2</b>            72<sup>nd</sup> Legislature (1991), Ch. 242, eff. 09/01/1991</p> <p>Insurance reform bill included: higher education group insurance programs (except UT and A&amp;M) consolidated under the ERS UGIP for state employees; Administrative Council dissolved; Administrative Council's ORP uniformity responsibilities transferred to the Coordinating Board.</p>
<p><b>HB 2032</b>      74<sup>th</sup> Legislature (1995), Ch. 736, §2, eff. 06/15/1995</p> <p>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.</p>
<p><b>HB 724</b>        75<sup>th</sup> Legislature (1997), Ch. 1359, eff. 09/01/1997</p> <p>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.</p>
<p><b>SB 1460</b>      75<sup>th</sup> Legislature (1997), Ch. 697, eff. 06/17/1997</p> <p>Institutions may establish a 415(m) plan for ORP contributions in excess of IRS limits.</p>
<p><b>SB 1128</b>      76<sup>th</sup> Legislature (1999), Ch. 1540, eff. 09/01/1999</p> <p>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).</p>
<p><b>SB 1130</b>      76<sup>th</sup> Legislature (1999), Ch. 1541, eff. 09/01/1999</p> <p>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).</p>
<p><b>HB 264</b>        78<sup>th</sup> Legislature (2003), Ch. 418, eff. 06/20/2003</p> <p>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).</p>
<p><b>SB 1812</b>      83<sup>rd</sup> Legislature (2013), Ch. 812, eff. 09/01/2013</p> <p>Requires community and junior colleges to contribute one-half of the state contribution for group insurance premiums, TRS contributions and ORP contributions for instructional and administrative employees.</p>

*prepared by Texas Higher Education Coordinating Board staff (rev. 09/2014)*