

GOVERNMENT CODE

TITLE 8. PUBLIC RETIREMENT SYSTEMS

SUBTITLE C. TEACHER RETIREMENT SYSTEM OF TEXAS

CHAPTER 821. GENERAL PROVISIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 821.001. DEFINITIONS. In this subtitle:

(1) "Accumulated contributions" means the total of amounts in a member's individual account in the member savings account, including:

(A) amounts deducted from the compensation of the member;

(B) other member deposits required to be placed in the member's individual account; and

(C) interest credited to amounts in the member's individual account.

(2) "Actuarial equivalent" of a benefit means a benefit of equal monetary value computed on the basis of annuity or mortality tables and on an interest or discount rate that is adopted by the board of trustees for the purpose from time to time and that is in force on the effective date of the benefit.

(3) "Actuarially reduced" means reduced to the actuarial equivalent.

(4) "Annual compensation" means the compensation to a member of the retirement system for service during a 12-month period determined by the retirement system that is reportable and subject to contributions as provided by Section [822.201](#).

(5) "Board of trustees" means the board appointed under this subtitle to administer the retirement system.

(6) "Employee" means a person who is employed, as determined by the retirement system, on other than a temporary basis by a single employer for at least one-half time at a regular rate of pay comparable to that of other persons employed in similar positions.

(7) "Employer" means any agents or agencies in the state responsible for public education, including the governing

board of any school district created under the laws of this state, any county school board, the board of trustees, the board of regents of any college or university, or any other legally constituted board or agency of any public school, but excluding the State Board of Education, the Texas Education Agency, and the State Board for Educator Certification.

(8) "Faculty member" means a person who is employed by an institution of higher education on a full-time basis as:

(A) a member of the faculty whose duties include teaching or research;

(B) an administrator responsible for teaching and research faculty;

(C) a member of the administrative staff of the Texas Higher Education Coordinating Board; or

(D) a professional librarian, a president, a chancellor, a vice-president, a vice-chancellor, or other professional staff person whose national mobility requirements are similar to those of faculty members and who fills a position that is the subject of nationwide searches in the academic community.

(9) "Governing board" means the body responsible for policy direction of an institution of higher education.

(10) "Institution of higher education" has the meaning provided for that term in Section [61.003](#), Education Code.

(11) "Membership service" means service during a time that a person is both an employee and a member of the retirement system.

(12) "Public school" means an educational institution or organization in this state that is entitled by law to be supported in whole or in part by state, county, school district, or other municipal corporation funds.

(13) "Retirement" means the withdrawal from service with a retirement benefit granted under this subtitle.

(14) "Retirement system" means the Teacher Retirement System of Texas.

(15) "School year" means a 12-month period beginning September 1 and ending August 31 of the next calendar year.

(16) "Service" means the time a person is an employee.

(17) "Service credit" means the amount of prior, membership, military, or equivalent membership service credited to a person's account in the retirement system.

(18) "Alternate payee" has the meaning assigned that term by Section [804.001](#).

(19) "Beneficiary" means the person or entity who, under a valid written designation or by law, is entitled to receive benefits payable by the retirement system on the death of a member or annuitant.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1981, 67th Leg., 1st C.S., p. 202, ch. 18, Sec. 18, eff. Nov. 10, 1981; Acts 1985, 69th Leg., ch. 556, Sec. 1, eff. Aug. 26, 1985; Acts 1985, 69th Leg., ch. 832, Sec. 1, eff. June 15, 1985; Acts 1987, 70th Leg., 2nd C.S., ch. 58, Sec. 1, eff. Oct. 20, 1987. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 31.001 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1993, 73rd Leg., ch. 812, Sec. 1, eff. Sept. 1, 1993; Acts 1995, 74th Leg., ch. 260, Sec. 34, eff. May 30, 1995; Acts 1995, 74th Leg., ch. 555, Sec. 1, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 62, Sec. 8.15, eff. Sept. 1, 1999.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 80 (H.B. [2561](#)), Sec. 1, eff. September 1, 2011.

Acts 2015, 84th Leg., R.S., Ch. 1102 (H.B. [2974](#)), Sec. 1, eff. September 1, 2015.

Sec. 821.0011. DETERMINATION OF EMPLOYEE OR INDEPENDENT CONTRACTOR STATUS. In determining whether an individual is an employee or independent contractor of an employer, the retirement system shall use the test applied under common law and any guidance issued by the Internal Revenue Service regarding factors to consider when determining an individual's employment status.

Added by Acts 2017, 85th Leg., R.S., Ch. 931 (S.B. [1664](#)), Sec. 2, eff. September 1, 2017.

Sec. 821.002. PURPOSE OF SUBTITLE. The purpose of this subtitle is to establish a program of benefits for members,

retirees, and other beneficiaries of the retirement system and to establish rules for membership in and the management and operation of the retirement system.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 31.002 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 821.003. RETIREMENT SYSTEM. The retirement system is a public entity. Except as provided by Section [825.304](#), the Teacher Retirement System of Texas is the name by which all business of the retirement system shall be transacted, all its funds invested, and all its cash, securities, and other property held.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1981, 67th Leg., 1st C.S., p. 202, ch. 18, Sec. 19, eff. Nov. 10, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 31.003 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 7, eff. September 1, 2005.

Sec. 821.004. POWERS AND PRIVILEGES. The retirement system has the powers, privileges, and immunities of a corporation, as well as the powers, privileges, and immunities conferred by this subtitle.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 31.004 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 821.005. EXEMPTION FROM EXECUTION. All retirement allowances, annuities, refunded contributions, optional benefits, money in the various retirement system accounts, and rights accrued or accruing under this subtitle to any person are exempt from garnishment, attachment, state and municipal taxation, sale, levy, and any other process, and are unassignable.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 31.005 by

Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 821.006. ACTION INCREASING AMORTIZATION PERIOD. (a) A rate of member or state contributions to or a rate of interest or the rate of a fee required for the establishment of credit in the retirement system may not be reduced or eliminated, a type of service may not be made creditable in the retirement system, a limit on the maximum permissible amount of a type of creditable service may not be removed or raised, a new monetary benefit payable by the retirement system may not be established, and the determination of the amount of a monetary benefit from the system may not be increased, if, as a result of the particular action, the time, as determined by an actuarial valuation, required to amortize the unfunded actuarial liabilities of the retirement system would be increased to a period that exceeds 30 years by one or more years.

(b) If the amortization period for the unfunded actuarial liabilities of the retirement system exceeds 30 years by one or more years at the time an action described by Subsection (a) is proposed, the proposal may not be adopted if, as a result of the adoption, the amortization period would be increased, as determined by an actuarial valuation.

Added by Acts 1985, 69th Leg., ch. 228, Sec. 7, eff. Sept. 1, 1985. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 31.006 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 821.007. CONTROL OF HOME OFFICE FACILITIES. The buildings comprising the home office of the retirement system are under the control and custodianship of the retirement system, but the retirement system shall:

(1) comply with space use regulations provided by Section [2165.104](#); the General Appropriations Act; or other state law; and

(2) lease to other persons at fair market value all significant unused space in the buildings.

Added by Acts 1995, 74th Leg., ch. 555, Sec. 2, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 17.19(20), eff. Sept.

1, 1997.

Sec. 821.008. PURPOSE OF RETIREMENT SYSTEM. (a) The purpose of the retirement system is to invest and protect funds of the retirement system and to deliver the benefits provided by statute, not to advocate or influence legislative action or inaction or to advocate higher benefits.

(b) This section does not prohibit comments by an employee of the retirement system on federal laws, regulations, or other official actions or proposed actions affecting or potentially affecting the retirement system that are made in accordance with policies adopted by the board.

Added by Acts 1995, 74th Leg., ch. 555, Sec. 3, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 455 (S.B. 1667), Sec. 6, eff. September 1, 2011.

Sec. 821.009. CERTAIN CONTRACTS FOR HEALTH CARE PURPOSES; REVIEW BY ATTORNEY GENERAL. (a) This section applies to any contract with a contract amount of \$250 million or more:

(1) under which a person provides goods or services in connection with the provision of medical or health care services, coverage, or benefits; and

(2) entered into by the person and the retirement system.

(b) Notwithstanding any other law, before a contract described by Subsection (a) may be entered into by the retirement system, a representative of the office of the attorney general shall review the form and terms of the contract and may make recommendations to the retirement system for changes to the contract if the attorney general determines that the office of the attorney general has sufficient subject matter expertise and resources available to provide this service.

(c) The retirement system must notify the office of the attorney general at the time the system initiates the planning phase of the contracting process. A representative of the office of the attorney general or another attorney advising the agency

under Subsection (d) may participate in negotiations or discussions with proposed contractors and may be physically present during those negotiations or discussions.

(d) If the attorney general determines that the office of the attorney general does not have sufficient subject matter expertise or resources available to provide the services described by this section, the office of the attorney general may require the retirement system to enter into an interagency agreement or to obtain outside legal services under Section 402.0212 for the provision of services described by this section.

(e) The retirement system shall provide to the office of the attorney general any information the office of the attorney general determines is necessary to administer this section.

Added by Acts 2005, 79th Leg., Ch. 1011 (H.B. 880), Sec. 3, eff. September 1, 2005.

Sec. 821.010. PROVISION OF CERTAIN INFORMATION TO COMPTROLLER. (a) Not later than June 1 of every fifth year, the retirement system shall provide to the comptroller, for the purpose of assisting the comptroller in the identification of persons entitled to unclaimed property reported to the comptroller, the name, address, social security number, and date of birth of each member, retiree, and beneficiary from the retirement system's records.

(b) Information provided to the comptroller under this section is confidential and may not be disclosed to the public.

(c) The retirement system shall provide the information in the format prescribed by rule of the comptroller.

Added by Acts 2009, 81st Leg., R.S., Ch. 232 (S.B. 1589), Sec. 7, eff. September 1, 2009.

Amended by:

Acts 2011, 82nd Leg., 1st C.S., Ch. 4 (S.B. 1), Sec. 47.02, eff. September 28, 2011.

SUBCHAPTER B. PENAL PROVISIONS

Sec. 821.101. CONVERSION OF FUNDS; FRAUD. (a) A person

commits an offense if the person knowingly or intentionally confiscates, misappropriates, or converts funds that represent deductions from a member's salary or that belong to the retirement system.

(b) A person commits an offense if the person knowingly or intentionally makes or permits the making of a false record for or statement to the retirement system in an attempt to defraud the retirement system.

(c) A member commits an offense if the member intentionally receives as a salary money that should have been deducted as provided by this subtitle from the member's salary.

(d) A person commits an offense if the person knowingly or intentionally violates a requirement of this subtitle other than ones described by Subsection (a), (b), or (c).

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 31.101 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 821.102. PENALTIES. (a) An offense under Section 821.101(a) or 821.101(b) is a felony punishable by imprisonment in the Texas Department of Criminal Justice for not less than one nor more than five years.

(b) An offense under Section 821.101(c) is a misdemeanor punishable by a fine of not less than \$100 nor more than \$500.

(c) An offense under Section 821.101(d) is a misdemeanor punishable by a fine of not less than \$100 nor more than \$1,000.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 31.102 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 25.084, eff. September 1, 2009.

Sec. 821.103. CANCELLATION OF TEACHER CERTIFICATE. (a) After receiving notice from the board of trustees of an offense

under Section 821.101 and after complying with Chapter 2001 and rules adopted by the State Board for Educator Certification, the State Board for Educator Certification may cancel the teacher certificate of a person if the State Board for Educator Certification determines that the person committed the offense.

(b) The executive director of the State Board for Educator Certification may enter into an agreed sanction.

(c) A criminal prosecution of an offender under Section 821.101 is not a prerequisite to action by the State Board for Educator Certification or its executive director.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 31.103 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 2001, 77th Leg., ch. 1229, Sec. 2, eff. Sept. 1, 2001.