GOVERNMENT CODE

TITLE 8. PUBLIC RETIREMENT SYSTEMS

SUBTITLE C. TEACHER RETIREMENT SYSTEM OF TEXAS

CHAPTER 823. CREDITABLE SERVICE

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 823.001.  TYPES OF CREDITABLE SERVICE. The types of service creditable in the retirement system are:

(1)  prior service;

(2)  membership service;

(3)  military service; and

(4)  equivalent membership service.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 33.001 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 823.002.  SERVICE CREDITABLE IN A YEAR. (a) The board of trustees by rule shall determine how much service in any year is equivalent to one year of service credit, but in no case may all of a person's service in one school year be creditable as more than one year of service. Service that has been credited by the retirement system on annual statements for a period of five or more years may not be deleted or corrected because of an error in crediting unless the error concerns three or more years of service credit or was caused by fraud.

(b)  A member shall notify the retirement system in writing of membership service that has not been properly credited by the retirement system on an annual statement.  The member must provide verification and make deposits as required by the retirement system before the service may be credited.  A member must notify the retirement system of the service in writing on or before the last day of the fifth school year after the end of the school year in which the service was rendered for the service to be credited.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 33.002 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1995, 74th Leg., ch. 555, Sec. 6, eff. Sept. 1, 1995; Acts 2003, 78th Leg., ch. 201, Sec. 44, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 455 (S.B. [1667](http://www.legis.state.tx.us/tlodocs/82R/billtext/html/SB01667F.HTM)), Sec. 7, eff. September 1, 2011.

Sec. 823.003.  BENEFITS BASED ON SERVICE CREDIT. Except as otherwise provided under the optional retirement program, years of service on which the amount of a benefit is based consist of the number of years of service credit to which a member is entitled.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 33.003 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 823.004.  COMPUTATION OF AND PAYMENT FOR CREDIT. (a)  All credit for military service, out-of-state service, developmental leave, work experience in a career or technological field, and service transferred to the retirement system under Chapter 805 shall be computed on a September 1 through August 31 school year.  Payments for service described by this section must be completed:

(1)  not later than two calendar months after the later of the member's retirement date or the last day of the month in which the member submits a retirement application; and

(2)  before the later of the due date for the member's first monthly annuity payment or the date on which the retirement system issues the first monthly annuity payment to the member.

(b)  The retirement system by rule may establish an irrevocable employer pick-up of member contributions as described by Section 414(h)(2) of the Internal Revenue Code of 1986 (26 U.S.C. Section 414(h)(2)) for the purchase of any service credit authorized by law.

Added by Acts 1995, 74th Leg., ch. 555, Sec. 7, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1416, Sec. 3, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1122, Sec. 2, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1229, Sec. 5, eff. Sept. 1, 2001.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 931 (S.B. [1664](http://www.legis.state.tx.us/tlodocs/85R/billtext/html/SB01664F.HTM)), Sec. 4, eff. September 1, 2017.

Sec. 823.005.  ACCEPTANCE OF ROLLOVERS AND TRANSFERS FROM OTHER PLANS. Subject to rules adopted by the board of trustees, the retirement system shall accept an eligible rollover distribution or a direct transfer of funds from another qualified plan in payment of all or a portion of any deposit a member is permitted to make with the system for credit for service. The rules adopted by the board shall condition the acceptance of a rollover or transfer from another plan on the receipt from the other plan of information necessary to enable the retirement system to determine the eligibility of any transferred funds for tax-free rollover treatment or other treatment under federal income tax law.

Added by Acts 1995, 74th Leg., ch. 555, Sec. 7, eff. Sept. 1, 1995.

Sec. 823.006.  LIMITS ON ANNUAL CONTRIBUTIONS FOR PURCHASE OF SERVICE CREDIT. Notwithstanding any other provision of this subtitle, the retirement system may limit the purchase of service credit to the extent required by applicable limits on the amount of annual contributions a participant may make to a qualified plan under Sections 401(a) and 415(c), Internal Revenue Code of 1986.

Added by Acts 1999, 76th Leg., ch. 1540, Sec. 2, eff. Sept. 1, 1999.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/SB01691F.HTM)), Sec. 9, eff. September 1, 2005.

SUBCHAPTER C. ESTABLISHMENT OF MEMBERSHIP SERVICE

Sec. 823.201.  CURRENT MEMBERSHIP SERVICE. (a) Membership service is credited in the retirement system for each year in which a member is an employee and for which the member renders sufficient service for credit under Section 823.002 and makes and maintains with the retirement system the deposits required by this subtitle or prior law.

(b)  The board of trustees may adopt rules for the granting of membership service credit.

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. 21, eff. Nov. 10, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 33.201 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 823.203.  MEMBERSHIP SERVICE FOR OPTIONAL RETIREMENT PROGRAM. A member may not establish service credit in the retirement system for any period when the member was participating in the optional retirement program under Chapter 830.

Added by Acts 1999, 76th Leg., ch. 1540, Sec. 3, eff. Sept. 1, 1999.

SUBCHAPTER D. ESTABLISHMENT OF MILITARY SERVICE

Sec. 823.301.  CREDITABLE MILITARY SERVICE. (a) Except as provided by Section 823.101(2), military service creditable in the retirement system is active federal duty in the armed forces of the United States, other than as a student at a service academy, that was performed:

(1)  as a direct result of being inducted or of first enlisting for duty on a date when the federal government was actively inducting persons into the armed forces under federal draft laws;

(2)  as a reservist or member of the national guard who was ordered to duty under the authority of federal law;

(3)  during a time when the federal government was actively inducting persons into the armed forces under federal draft laws; or

(4)  as a result of voluntarily entering on active duty.

(b)  A member may not establish more than five years of service credit in the retirement system under this subchapter for military service. Service may be established in one-year increments except as otherwise provided by this subchapter.

(c)  The board of trustees may adopt rules expanding the military service creditable in the retirement system in order to comply with the requirements of federal law.

(d)  Military service that is terminated by sentence of a court-martial is not creditable under this section.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1987, 70th Leg., ch. 61, Sec. 3, eff. Aug. 31, 1987. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 33.301 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., 1st C.S., ch. 13, Sec. 1, eff. Nov. 12, 1991; Acts 1997, 75th Leg., ch. 1416, Sec. 5, eff. Sept. 1, 1997.

Sec. 823.302.  MILITARY SERVICE CREDIT. (a) An eligible member may establish service credit in the retirement system for military service performed that is creditable as provided by Section 823.301.

(b)  A member eligible to establish military service credit is one who has at least five years of service credit in the retirement system for actual service in public schools, except that a member meeting this condition does not qualify for insurance coverage under Chapter 1575, Insurance Code, until the member has 10 or more years of membership service credit.

(c)  A member may establish credit under this section by depositing with the retirement system for each year of military service claimed a contribution in an amount equal to:

(1)  the member's contributions to the retirement system during the most recent full year of membership service that preceded the military service, if the military service was performed while the person was a member of the retirement system; or

(2)  the member's contributions to the retirement system during the first full year of membership service, if the military service was performed before the person became a member of the retirement system.

(d)  In addition to the contribution required by Subsection (c), a member claiming credit for military service must pay a fee of eight percent, compounded annually, of the required contribution from the date of first eligibility to the date of deposit.

(e)  After a member makes the deposits required by this section, the retirement system shall grant the member one year of military service credit for each year of military service approved.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1981, 67th Leg., 1st C.S., p. 203, ch. 18, Sec. 22, eff. Sept. 1, 1982. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 33.302 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., 1st C.S., ch. 13, Sec. 2, eff. Nov. 12, 1991; Acts 1995, 74th Leg., ch. 555, Sec. 8, eff. Sept. 1, 1995; Acts 2003, 78th Leg., ch. 1276, Sec. 10A.521, eff. Sept. 1, 2003.

Sec. 823.303.  MILITARY LEAVE CREDIT. A member who performs military service creditable in the retirement system but who does not establish credit for the service by making the deposits required by Section 823.302 is entitled to credit of a year for each year of military service performed, if the member requests the credit in writing before the later of the date of application for retirement or the effective date of retirement. The credit is usable only in determining eligibility for, but not the amount of, benefits under Section 824.406.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 33.303 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1997, 75th Leg., ch. 1416, Sec. 7, eff. Sept. 1, 1997.

Sec. 823.304.  USERRA CREDIT. (a)  A person eligible to establish USERRA credit is one who qualifies under the Uniformed Services Employment and Reemployment Rights Act of 1994, 38 U.S.C. Section 4301 et seq., for the benefits of reemployment in a position included within the membership of the retirement system and who is entitled under that Act to additional credit and benefits from the retirement system because of the person's active duty in the armed forces of the United States.

(b)  A person who receives credit under this section may not receive military service credit under Sections 823.301 and 823.302 for the same service.

(c)  A person may establish credit under this section by depositing with the retirement system for each year of service claimed an amount equal to the member contributions to the retirement system, as determined by the retirement system, that the person would have made had the person continued to be employed in the person's former position covered by the retirement system during the entire period of active duty in the armed forces for which the person is to receive retirement credit.

(d)  To the extent required by the Uniformed Services Employment and Reemployment Rights Act of 1994 and permitted by Sections 401(a) and 415 of the Internal Revenue Code of 1986 (26 U.S.C. Sections 401 and 415), the retirement system may:

(1)  grant the person service credit for the period of active duty in the armed forces as if the person had been employed in a position eligible for membership and credit with the retirement system if the person establishes credit by making the required deposits, or, if the person has not made the required deposits, consider the period of active duty for the purpose of determining whether the person meets the length-of-service eligibility requirements for retirement or other benefits administered by the retirement system as if the person had established the credit; and

(2)  include in relevant benefit computations under this subtitle the annual compensation, as determined by the retirement system, that would have been otherwise received by the person for service covered by the retirement system during any year in which the person had active duty in the armed forces.

(e)  The state shall deposit with the retirement system an amount equal to the state contributions, as determined by the retirement system, that the state would have made had the person continued to be employed in the person's former position covered by the retirement system during the entire period of active duty in the armed forces for which the person has received service credit under this section. The state shall deposit the required amount with the retirement system not later than the 30th day after the date the state receives notice from the retirement system of the amount of state contributions required for service credit established by a person under this section.

(f)  The board of trustees may adopt rules that modify the terms of this section for the purpose of compliance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (38 U.S.C. Section 4301 et seq.).

Added by Acts 1991, 72nd Leg., 1st C.S., ch. 13, Sec. 3, eff. Nov. 12, 1991. Amended by Acts 1995, 74th Leg., ch. 555, Sec. 9, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 456 (S.B. [1668](http://www.legis.state.tx.us/tlodocs/82R/billtext/html/SB01668F.HTM)), Sec. 1, eff. September 1, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 456 (S.B. [1668](http://www.legis.state.tx.us/tlodocs/82R/billtext/html/SB01668F.HTM)), Sec. 2, eff. September 1, 2011.

SUBCHAPTER E. ESTABLISHMENT OF EQUIVALENT MEMBERSHIP SERVICE

Sec. 823.401.  OUT-OF-STATE SERVICE. (a) Except as provided by Subsection (b), an eligible member may establish equivalent membership service credit for employment with a public school system maintained wholly or partly by another state or territory of the United States or by the United States for children of its citizens. A school receiving funds under 22 U.S.C. Section 2701 is considered a public school for the purposes of this section.

(b)  A member may not establish credit under this section for service performed for a public school while a member of the armed forces, for which service the member was compensated by the United States.

(c)  A member eligible to establish credit under this section is one who has at least five years of service credit in the retirement system for actual service in public schools, including at least one year completed after the relevant out-of-state service.

(d)  A member may establish credit under this section by depositing with the retirement system for each year of service credit the actuarial present value, at the time of deposit, of the additional standard retirement annuity benefits that would be attributable to the purchase of the service credit under this section, based on rates and tables recommended by the retirement system's actuary and adopted by the board of trustees.

(e)   A deposit for at least one year of credit must be made with an initial application for credit, and all payments for service claimed under this section must be made before retirement.

(f)  Except as provided by Subsection (f-1), the amount of service credit a member may establish under this section may not exceed the lesser of the number of years of membership service credit the member has in the retirement system for actual service in public schools or 15 years.

(f-1)  A member may not purchase more than five years of service credit under this section for service credit considered nonqualified service credit under Section 415(n)(3), Internal Revenue Code of 1986.

(g)  After a member makes the deposits required by this section, the retirement system shall grant the member one year of equivalent membership service credit for each year of service approved. The retirement system may not use service credit granted under this section in computing a member's annual average compensation.

(h)  Repealed by Acts 2003, 78th Leg., ch. 201, Sec. 61(2) and Acts 2003, 78th Leg., ch. 1231, Sec. 9(2).

(i)  Repealed by Acts 2011, 82nd Leg., R.S., Ch. 456, Sec. 7(a), eff. September 1, 2011.

(j)  The board of trustees may adopt rules providing for the adoption of a reciprocal agreement with a state or territory of a member's previous employment for the payment for service credit established under this section through the transfer from the state or territory to the retirement system of contributions made on behalf of the member in the form of an eligible rollover distribution as provided by Section 401(a)(31), Internal Revenue Code of 1986, and its subsequent amendments.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1981, 67th Leg., 1st C.S., p. 203, ch. 18, Sec. 23, eff. Sept. 1, 1982. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 33.401 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1993, 73rd Leg., ch. 812, Sec. 2, eff. Sept. 1, 1993; Acts 1995, 74th Leg., ch. 84, Sec. 1, eff. May 15, 1995; Acts 1995, 74th Leg., ch. 555, Sec. 10, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1416, Sec. 8, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1540, Sec. 4, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 454, Sec. 1, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 201, Sec. 61(2), eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1231, Sec. 9(2), eff. Sept. 1, 2004.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](http://www.legis.state.tx.us/tlodocs/79R/billtext/html/SB01691F.HTM)), Sec. 10, eff. September 1, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 456 (S.B. [1668](http://www.legis.state.tx.us/tlodocs/82R/billtext/html/SB01668F.HTM)), Sec. 3, eff. September 1, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 456 (S.B. [1668](http://www.legis.state.tx.us/tlodocs/82R/billtext/html/SB01668F.HTM)), Sec. 7(a), eff. September 1, 2011.

Acts 2015, 84th Leg., R.S., Ch. 1102 (H.B. [2974](http://www.legis.state.tx.us/tlodocs/84R/billtext/html/HB02974F.HTM)), Sec. 5, eff. September 1, 2015.

Sec. 823.402.  DEVELOPMENTAL LEAVE. (a) An eligible member may establish equivalent membership service credit for developmental leave that is creditable in the retirement system.

(b)  Developmental leave creditable in the retirement system is absence from membership service for a school year that is approved by the member's employer for study, research, travel, or another purpose designed, as determined by the employer, to improve the member's professional competence.

(c)  A member eligible to establish credit under this section is one who:

(1)  has at least five years of service credited in the retirement system before the developmental leave occurs;

(2)  has, at the time the required deposits for the credit are paid, at least one year of membership service credit in the retirement system following the developmental leave; and

(3)  has at least five years of service credited in the retirement system at the time the required deposits for the credit are paid.

(d)  On or before the date a member takes developmental leave, the member must file with the retirement system a notice of intent to take developmental leave, and the member's employer must file with the retirement system a certification that the leave meets the requirements of Subsection (b).  The notice of intent and the certification must be in the form required by the retirement system.  Leave is not creditable in the retirement system if the member does not submit notice of intent and obtain the certification required by this subsection.

(e)  A member may establish credit under this section by depositing with the retirement system for each year of developmental leave certified the actuarial present value, at the time of deposit, of the additional standard retirement annuity benefits that would be attributable to the purchase of the service credit under this section, based on rates and tables recommended by the retirement system's actuary and adopted by the board of trustees.

(f)  A member may not establish more than two years of equivalent membership service credit under this section.

(g)  Repealed by Acts 2011, 82nd Leg., R.S., Ch. 456, Sec. 7(a), eff. September 1, 2011.

(h)  Repealed by Acts 2011, 82nd Leg., R.S., Ch. 456, Sec. 7(a), eff. September 1, 2011.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 33.402 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1993, 73rd Leg., ch. 812, Sec. 3, eff. Sept. 1, 1993; Acts 1997, 75th Leg., ch. 1416, Sec. 9, eff. Sept. 1, 1997.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 456 (S.B. [1668](http://www.legis.state.tx.us/tlodocs/82R/billtext/html/SB01668F.HTM)), Sec. 4, eff. September 1, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 456 (S.B. [1668](http://www.legis.state.tx.us/tlodocs/82R/billtext/html/SB01668F.HTM)), Sec. 7(a), eff. September 1, 2011.

Sec. 823.403.  CREDIT FOR ACCUMULATED PERSONAL OR SICK LEAVE. (a) A member who retires from an employer as defined by Section 821.001(7) based on service or a disability is entitled to membership service credit in the retirement system for the member's state personal or sick leave that has accumulated and is unused on the last day of employment pursuant to the terms of this section. State personal or sick leave is creditable in the retirement system in the amount of one year of service credit for 50 days or more, or 400 hours or more, of accumulated state personal or sick leave. An accumulation of less than 50 days is not creditable. Not more than five days of unused state personal or sick leave may be accumulated per year. Credit established under this section may be used only for the purpose of calculating benefits under Section 824.203.

(b)  The employer shall, under rules adopted by the retirement system, certify the amount of a member's accumulated state personal or sick leave on the last day of employment before retirement.

(c)  On receipt of a certification under Subsection (b) and payment under Subsection (d) of this section, the retirement system shall grant any credit to which a retiree who is a subject of the certification is entitled.  Unless a member declines to purchase service credit under this section as provided by Subsection (d-1), an annuity payment may not begin until the retirement system is paid the full cost of the service credit.

(d)  In order to receive credit, the member shall pay to the retirement system at the time service credit is granted under this section the actuarial present value of the additional standard retirement annuity benefits under the option selected by the member that would be attributable to the conversion of the unused state personal or sick leave into the service credit based on rates and tables recommended by the actuary and adopted by the board of trustees.  Except as provided by this subsection, the retirement system must receive the payment for service credit under this section not later than the 90th day after the date the retirement system issues a cost statement for the purchase of service credit under this section.  The retirement system may grant a member a one-time extension of not more than 30 days to complete the purchase of the service credit if the purchase is made by:

(1)  a rollover distribution from another eligible retirement plan; or

(2)  a direct trustee-to-trustee transfer of funds from:

(A)  an eligible deferred compensation plan described by Section 457(b), Internal Revenue Code of 1986, that is maintained by an eligible governmental employer; or

(B)  an annuity contract described by Section 403(b), Internal Revenue Code of 1986, that is purchased under a governmental plan.

(d-1)  A member who fails to make the payment described by Subsection (d) within the time prescribed by that subsection may:

(1)  decline to purchase service credit under this section and maintain the member's effective date of retirement; or

(2)  revoke the member's retirement as provided by Section 824.005(a) and select a later retirement date that provides the member with sufficient time to complete the purchase of the service credit under this section.

(e)  In accordance with local policy, the employer from which the retiring member was compensated on the member's last day of employment may reimburse an employee for all or part of the cost of purchasing service credit under this section.

Added by Acts 1991, 72nd Leg., ch. 882, Sec. 1, eff. Sept. 1, 1992. Amended by Acts 1995, 74th Leg., ch. 260, Sec. 36, eff. May 30, 1995.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 931 (S.B. [1664](http://www.legis.state.tx.us/tlodocs/85R/billtext/html/SB01664F.HTM)), Sec. 5, eff. September 1, 2017.

Sec. 823.404.  WORK EXPERIENCE BY CAREER OR TECHNOLOGY TEACHER. (a) An eligible member may establish equivalent membership service credit for one or two years of work experience for which the member is entitled to salary step credit under Section 21.403(b), Education Code.

(b)  A member is eligible to establish equivalent membership service credit under this section if the member has at least five years of membership service credit.

(c)  A member may establish credit under this section by depositing with the retirement system, for each year of service, the actuarial present value, at the time of deposit, of the additional standard retirement annuity benefits that would be attributable to the conversion of the work experience into service credit based on rates and tables recommended by the actuary and adopted by the board of trustees.

(d)  After a member makes the deposits required by this section, the retirement system shall grant the member one year of equivalent membership service credit for each year of service approved.

Added by Acts 1999, 76th Leg., ch. 1122, Sec. 1, eff. Sept. 1, 1999.

Sec. 823.406.  CREDIT PURCHASE OPTION FOR CERTAIN SERVICE. (a) A member may establish membership service credit under this section only for service performed during a 90-day waiting period to become a member after beginning employment.

(b)  A member may establish service credit under this section by depositing with the retirement system, for each month of service credit, the actuarial present value, at the time of deposit, of the additional standard retirement annuity benefits that would be attributable to the purchase of the service credit under this section, based on rates and tables recommended by the retirement system's actuary and adopted by the board of trustees.

(c)  After a member makes the deposits required by this section, the retirement system shall grant the member one month of equivalent membership service credit for each month of credit approved.

(d)  The retirement system shall deposit the amount of the actuarial present value of the service credit purchased in the member's individual account in the employees saving account.

(e)  The board of trustees may adopt rules to administer this section.

Added by Acts 2003, 78th Leg., ch. 201, Sec. 45, eff. Sept. 1, 2003.

SUBCHAPTER F. REINSTATEMENT OF SERVICE CREDIT

Sec. 823.501.  CREDIT CANCELED BY MEMBERSHIP TERMINATION. (a) An eligible person who has terminated membership in the retirement system by withdrawal of contributions or absence from service may reinstate in the system the service credit canceled by the termination.

(b)  A person eligible to reinstate service credit under this section is one who is a member of the retirement system at the time the service is reinstated.

(c)  A member may reinstate canceled credit under this section by depositing with the retirement system:

(1)  the amount withdrawn or refunded; plus

(2)  a reinstatement fee of eight percent, compounded annually, of the amount withdrawn or refunded from the date of withdrawal or refund to the date of redeposit.

(d)  The retirement system shall determine in each case the amount of money to be deposited by a member reinstating service credit under this section. The system may not provide benefits based on the service until the determined amount has been fully paid.

(e)  Repealed by Acts 2011, 82nd Leg., R.S., Ch. 456, Sec. 7(a), eff. September 1, 2011.

(f)  A member may have an account that was terminated by absence from service reactivated by requesting the reactivation in writing. The beneficiary of a decedent who was a member at the time of death may have an account that was terminated by the decedent's absence from service reactivated by requesting the reactivation in writing before the first payment of a death benefit.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1981, 67th Leg., 1st C.S., p. 203, ch. 18, Sec. 24, eff. Sept. 1, 1982. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 33.501 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1993, 73rd Leg., ch. 812, Sec. 4, eff. Sept. 1, 1993; Acts 1997, 75th Leg., ch. 1416, Sec. 10, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1540, Sec. 5, eff. Sept. 1, 1999.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 456 (S.B. [1668](http://www.legis.state.tx.us/tlodocs/82R/billtext/html/SB01668F.HTM)), Sec. 5, eff. September 1, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 456 (S.B. [1668](http://www.legis.state.tx.us/tlodocs/82R/billtext/html/SB01668F.HTM)), Sec. 7(a), eff. September 1, 2011.