

By: Allen

H.B. No. 2873

A BILL TO BE ENTITLED

AN ACT

relating to benefits paid by the Teacher Retirement System of Texas.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter H, Chapter 824, Government Code, is amended by adding Sections 824.7015 and 824.703 to read as follows:

Sec. 824.7015. ADJUSTMENT TO BENEFITS. (a) The amount of a monthly service retirement benefit, disability retirement benefit, or death benefit paid under this chapter is increased to include a 10 percent adjustment in accordance with this section.

(b) The board of trustees shall recompute the amount of a benefit paid monthly under this chapter by applying the 10 percent adjustment to the monthly amount otherwise required to be paid as determined in accordance with the other applicable provisions of this chapter and other law.

Sec. 824.703. ANNUAL ADJUSTMENT FOR COST OF LIVING. (a) The amount of a monthly service retirement benefit, disability retirement benefit, or death benefit paid under this chapter is increased to include a four percent annual cost-of-living adjustment in accordance with this section.

(b) The board of trustees shall recompute the amount of a benefit paid monthly under this chapter by applying the four percent adjustment to the monthly amount otherwise required to be paid as determined in accordance with the other applicable

provisions of this chapter.

SECTION 2. (a) The Teacher Retirement System of Texas shall make a one-time supplemental payment of a retirement or death benefit, as provided by this section.

(b) The supplemental payment is payable in January 2016 and, to the extent practicable, on a date or dates that coincide with the regular annuity payment payable to each eligible annuitant.

(c) The amount of the supplemental payment is equal to the greater of:

(1) \$2,000; or

(2) the gross amount of the regular annuity payment to which the eligible annuitant is otherwise entitled for the month of December 2015.

(d) The supplemental payment is payable without regard to any forfeiture of benefits under Section 824.601, Government Code. The Teacher Retirement System of Texas shall make applicable tax withholding and other legally required deductions before disbursing the supplemental payment. A supplemental payment under this section is in addition to and not in lieu of the regular monthly annuity payment to which the eligible annuitant is otherwise entitled.

(e) Subject to Subsection (f) of this section, to be eligible for the supplemental payment, a person must be, for the month of December 2015, and disregarding any forfeiture of benefits under Section 824.601, Government Code, an annuitant eligible to receive:

(1) a standard retirement annuity payment;

1           (2) an optional retirement annuity payment as either a  
2 retiree or beneficiary;

3           (3) a life annuity payment under Section  
4 [824.402](#)(a)(4), Government Code;

5           (4) an annuity for a guaranteed period of 60 months  
6 under Section [824.402](#)(a)(3), Government Code; or

7           (5) an alternate payee annuity payment under Section  
8 [804.005](#), Government Code.

9           (f) If the annuitant is a retiree or a beneficiary under an  
10 optional retirement payment plan, to be eligible for the  
11 supplemental payment, the effective date of the retirement of the  
12 member of the Teacher Retirement System of Texas must have been  
13 before September 1, 2014. If the annuitant is a beneficiary under  
14 Section [824.402](#)(a)(3) or (4), Government Code, to be eligible for  
15 the supplemental payment, the date of death of the member of the  
16 retirement system must have been before September 1, 2014. The  
17 supplemental payment shall be made to an alternate payee who is an  
18 annuitant under Section [804.005](#), Government Code, only if the  
19 annuity payment to the alternate payee commenced before September  
20 1, 2014. The supplemental payment is in addition to the guaranteed  
21 number of payments under Section [824.402](#)(a)(3) or [824.204](#)(c)(3) or  
22 (4), Government Code, and may not be counted as one of the  
23 guaranteed monthly payments.

24           (g) The supplemental payment does not apply to payments  
25 under:

26           (1) Section [824.304](#)(a), Government Code, relating to  
27 disability retirees with less than 10 years of service credit;

1           (2) Section 824.804(b), Government Code, relating to  
2 participants in the deferred retirement option plan with regard to  
3 payments from their deferred retirement option plan accounts;

4           (3) Section 824.501(a), Government Code, relating to  
5 retiree survivor beneficiaries who receive a survivor annuity in an  
6 amount fixed by statute; or

7           (4) Section 824.404(a), Government Code, relating to  
8 active member survivor beneficiaries who receive a survivor annuity  
9 in an amount fixed by statute.

10          (h) Except as provided by this section, the board of  
11 trustees of the Teacher Retirement System of Texas shall determine  
12 the eligibility for and the amount and timing of a supplemental  
13 payment and the manner in which the payment is made.

14          (i) The Teacher Retirement System of Texas shall pay the  
15 supplemental payment made under this section from the retired  
16 reserve account and may transfer to that account from the state  
17 contribution account any portion of the amount that exceeds the  
18 amount in the retired reserve account available to finance the  
19 supplemental payment and that is actuarially determined to be  
20 necessary to finance the supplemental payment. The supplemental  
21 payment under this section must comply with Section 821.006,  
22 Government Code.

23          SECTION 3. Sections 824.7015 and 824.703, Government Code,  
24 as added by this Act, apply only to a monthly benefit payment made  
25 by the Teacher Retirement System of Texas on or after September 1,  
26 2015.

27          SECTION 4. This Act takes effect September 1, 2015.