

By: Dominguez

H.B. No. 177

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. (a) Subchapter H, Chapter 824, Government Code, is amended by adding Section 824.703 to read as follows:

Sec. 824.703. COST-OF-LIVING ADJUSTMENTS FOR INFLATION; ANNUAL DETERMINATION. (a) Notwithstanding any other law, the amount of a service retirement benefit, disability retirement benefit, or death benefit paid under this chapter is adjusted in accordance with this section as necessary to reflect inflation.

(b) Each year, during the last seven days of October, the board of trustees shall set the rate of the adjustment for the next calendar year to equal the annual percentage increase, if any, in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) published by the Bureau of Labor Statistics of the United States Department of Labor as determined by the commissioner of social security under 42 U.S.C. Section 415(i) for purposes of providing an annual cost-of-living increase to social security benefit payments payable in the next calendar year.

(c) Subject to Subsection (d), the board of trustees shall increase the amount of a benefit payable under this chapter by applying the adjustment rate set by the board of trustees under Subsection (b) to the amount otherwise required to be paid as

1 determined in accordance with the other applicable provisions of
2 this chapter.

3 (d) The board of trustees may not pay a benefit increase
4 under this section in any calendar year unless the board finds that
5 the retirement system is actuarially sound and has money available
6 to pay increased benefits in that year. If the board of trustees
7 finds that the retirement system is actuarially sound, but that the
8 amount of money available is not sufficient to pay the full amount
9 of the adjustment under Subsection (b), the board shall compute the
10 largest rate of adjustment possible for the amount of money
11 available while maintaining the actuarial soundness of the system
12 and shall use that rate in increasing benefits under Subsection (c)
13 for that calendar year.

14 (b) This section applies only to a benefit paid by the
15 Teacher Retirement System of Texas on or after January 1, 2023.

16 SECTION 2. (a) Subject to Section [821.006](#), Government
17 Code, the Teacher Retirement System of Texas shall make a one-time
18 supplemental payment of a retirement or death benefit, as provided
19 by this section.

20 (b) The supplemental payment is payable not later than
21 January 2022 and, to the extent practicable, on a date or dates that
22 coincide with the regular annuity payment payable to each eligible
23 annuitant.

24 (c) The amount of the supplemental payment is equal to the
25 lesser of:

26 (1) the gross amount of the regular annuity payment to
27 which the eligible annuitant is otherwise entitled for the calendar

1 month immediately prior to the calendar month in which the Teacher
2 Retirement System of Texas issues the one-time supplemental payment
3 in accordance with Subsection (b) of this section; or

4 (2) \$2,400.

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

13 (e) Subject to Subsection (f) of this section, to be
14 eligible for the supplemental payment, a person must be, for the
15 calendar month immediately prior to the calendar month in which the
16 Teacher Retirement System of Texas issues the one-time supplemental
17 payment in accordance with Subsection (b) of this section, and
18 disregarding any forfeiture of benefits under Section 824.601,
19 Government Code, an annuitant eligible to receive:

20 (1) a standard retirement annuity payment;

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

23 (3) a life annuity payment under Section
24 824.402(a)(4), Government Code;

25 (4) an annuity for a guaranteed period of 60 months
26 under Section 824.402(a)(3), Government Code; or

27 (5) an alternate payee annuity payment under Section

1 804.005, Government Code.

2 (f) If the annuitant is a retiree or a beneficiary under an
3 optional retirement payment plan, to be eligible for the
4 supplemental payment, the effective date of the retirement of the
5 member of the Teacher Retirement System of Texas must have been on
6 or before July 31, 2021. If the annuitant is a beneficiary under
7 Section 824.402(a)(3) or (4), Government Code, to be eligible for
8 the supplemental payment, the date of death of the member of the
9 retirement system must have been on or before July 31, 2021. The
10 supplemental payment shall be made to an alternate payee who is an
11 annuitant under Section 804.005, Government Code, only if the
12 annuity payment to the alternate payee commenced on or before July
13 31, 2021. The supplemental payment is in addition to the guaranteed
14 number of payments under Section 824.204(c)(3) or (4), Section
15 824.308(c)(3) or (4), or Section 824.402(a)(3), Government Code,
16 and may not be counted as one of the guaranteed monthly payments.

17 (g) The supplemental payment does not apply to payments
18 under:

19 (1) Section 824.304(a), Government Code, relating to
20 disability retirees with less than 10 years of service credit;

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

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

27 (4) Section 824.404(a), Government Code, relating to

1 active member survivor beneficiaries who receive a survivor annuity
2 in an amount fixed by statute.

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

7 SECTION 3. This Act takes effect immediately if it receives
8 a vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the vote necessary for immediate effect, this
11 Act takes effect on the 91st day after the last day of the
12 legislative session.