

By: Allen

H.B. No. 3979

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Subchapter G, Chapter 814, Government Code, is amended by adding Sections 814.605 and 814.606 to read as follows:

Sec. 814.605. ONE-TIME ADJUSTMENT TO BENEFITS. (a) The amount of a monthly service retirement benefit, disability retirement benefit, or death benefit paid under this chapter to a retiree or beneficiary for service credited in the employee class is increased to include a one-time 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 this chapter.

Sec. 814.606. ANNUAL COST-OF-LIVING ADJUSTMENT. (a) Notwithstanding Section 814.605, the amount of a monthly service retirement benefit, disability retirement benefit, or death benefit paid under this chapter to a retiree or beneficiary for service credited in the employee class is increased to include an annual cost-of-living adjustment equal to the annual percentage increase, if any, during the preceding fiscal year in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W)

1 published by the Bureau of Labor Statistics of the United States
2 Department of Labor in accordance with this section.

3 (b) On January 1 of each year, the board of trustees shall
4 recompute the amount of a benefit paid monthly under this chapter by
5 applying the four percent adjustment to the monthly amount
6 otherwise required to be paid as determined in accordance with this
7 chapter.

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

11 (b) A supplemental payment is payable in January 2024, and,
12 to the extent practicable, on a date or dates that coincide with the
13 regular annuity payment payable to each eligible annuitant.

14 (c) The amount of the supplemental payment is equal to the
15 lesser of:

16 (1) \$2,000; or

17 (2) the gross amount of the regular annuity payment to
18 which the eligible annuitant is otherwise entitled for the month of
19 December 2023.

20 (d) The Employees Retirement System of Texas shall make
21 applicable tax withholding and other legally required deductions
22 before disbursing the supplemental payment. A supplemental payment
23 under this section is in addition to and not in lieu of the regular
24 monthly annuity payment to which the eligible annuitant is
25 otherwise entitled.

26 (e) Subject to Subsections (f) and (g) of this section, to
27 be eligible for the supplemental payment, a person must be, for the

1 month of December 2023, an annuitant eligible to receive:

2 (1) a standard retirement annuity payment;

3 (2) an optional service retirement annuity payment as
4 either a retiree or beneficiary under Section 814.108, Government
5 Code;

6 (3) a standard or occupational disability retirement
7 annuity payment;

8 (4) a death benefit annuity payment under Section
9 814.305, Government Code; or

10 (5) an alternate payee annuity payment under Section
11 804.005, Government Code.

12 (f) If the annuitant is a retiree or a beneficiary under an
13 optional retirement payment plan, to be eligible for the
14 supplemental payment, the effective date of the retirement of the
15 member of the Employees Retirement System of Texas must have been on
16 or before September 1, 2022. The supplemental payment shall be made
17 to an alternate payee who is an annuitant under Section 804.005,
18 Government Code, only if the annuity payment to the alternate payee
19 commenced on or before September 1, 2022. The supplemental payment
20 is in addition to the guaranteed number of payments under Section
21 814.108, Government Code, and may not be counted as one of the
22 guaranteed monthly payments.

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

25 (1) Section 814.103 or 814.205, Government Code,
26 relating to retirees or disability retirees from the elected class
27 of membership;

1 (2) a subtitle other than Subtitle B, Title 8,
2 Government Code, except as provided by Subsection (e)(5) of this
3 section; or

4 (3) Section 814.304, Government Code, relating to
5 retiree survivor beneficiaries who receive a survivor annuity as
6 the surviving spouse of a member of the elected class.

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

11 (i) The supplemental payment is subject solely to the
12 availability of appropriated funds. The supplemental payment must
13 comply with Section 811.006, Government Code.

14 SECTION 3. Section 814.604, Government Code, is repealed.

15 SECTION 4. Sections 814.605 and 814.606, Government Code,
16 as added by this Act, apply only to a monthly benefit payment made
17 by the Employees Retirement System of Texas on or after September 1,
18 2023.

19 SECTION 5. This Act takes effect September 1, 2023.