

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. Subchapter H, Chapter 824, Government Code, is amended by adding Section 824.703 to read as follows:

Sec. 824.703. COST-OF-LIVING ADJUSTMENT: JANUARY 2024.

(a) The retirement system shall make a one-time cost-of-living adjustment payable to annuitants receiving a monthly death or retirement benefit annuity, as provided by this section.

(b) Subject to Subsection (c) and except as provided by Subsection (d), to be eligible for the adjustment, a person must be, on the effective date of the adjustment and disregarding any forfeiture of benefits under Section 824.601, an annuitant eligible to receive:

(1) a standard service or disability retirement annuity payment;

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

(3) an annuity payment under Section 824.402(a)(3) or (4);

(4) an annuity payment under Section 824.502; or

(5) an alternate payee annuity payment under Section 804.005.

1        (c) If the annuitant:

2            (1) is a retiree, or is a beneficiary under an optional  
3 service or disability retirement payment plan, to be eligible for  
4 the adjustment under this section:

5            (A) the annuitant must be living on the effective  
6 date of the adjustment; and

7            (B) the effective date of the retirement of the  
8 member of the retirement system on whose service the annuity is  
9 based must have been on or before August 31, 2020;

10          (2) is a beneficiary under Section 824.402(a)(3) or  
11 (4) or 824.502, to be eligible for the adjustment:

12          (A) the annuitant must be living on the effective  
13 date of the adjustment; and

14          (B) the date of death of the member of the  
15 retirement system on whose service the annuity is based must have  
16 been on or before August 31, 2020; or

17          (3) is an alternate payee under Section 804.005, to be  
18 eligible for the adjustment:

19          (A) the annuitant must be living on the effective  
20 date of the adjustment; and

21          (B) the effective date of the annuitant's  
22 election to receive the annuity payment was on or before August 31,  
23 2020.

24          (d) An adjustment made under this section does not apply to  
25 payments under:

26          (1) Section 824.203(d), relating to retirees who  
27 receive a standard service retirement annuity in an amount fixed by

1 statute;

2 (2) Section 824.304(a), relating to disability  
3 retirees with less than 10 years of service credit;

4 (3) Section 824.304(b)(2), relating to disability  
5 retirees who receive a disability annuity in an amount fixed by  
6 statute;

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

10 (5) Section 824.501(a), relating to retiree survivor  
11 beneficiaries who receive a survivor annuity in an amount fixed by  
12 statute; or

13 (6) Section 824.804(b), relating to participants in  
14 the deferred retirement option plan with regard to payments from  
15 their deferred retirement option plan accounts.

16 (e) An adjustment under this section must be made beginning  
17 with an annuity payable for the month of January 2024.

18 (f) The amount of the adjustment provided under this section  
19 is calculated by multiplying the amount of the monthly benefit  
20 subject to the adjustment by the following percentage rate, as  
21 applicable:

22 (1) for annuitants described by Subsection (c)(1):

23 (A) if the retiree's effective date of retirement  
24 was on or before August 31, 2001, six percent;

25 (B) if the retiree's effective date of retirement  
26 was after August 31, 2001, but on or before August 31, 2013, four  
27 percent; and

1           (C) if the retiree's effective date of retirement  
2 was after August 31, 2013, but on or before August 31, 2020, two  
3 percent;

4           (2) for annuitants described by Subsection (c)(2):

5           (A) if the member's date of death was on or before  
6 August 31, 2001, six percent;

7           (B) if the member's date of death was after  
8 August 31, 2001, but on or before August 31, 2013, four percent; and

9           (C) if the member's date of death was after  
10 August 31, 2013, but on or before August 31, 2020, two percent; and

11           (3) for annuitants described by Subsection (c)(3):

12           (A) if the effective date of the annuitant's  
13 election was on or before August 31, 2001, six percent;

14           (B) if the effective date of the annuitant's  
15 election was after August 31, 2001, but on or before August 31,  
16 2013, four percent; and

17           (C) if the effective date of the annuitant's  
18 election was after August 31, 2013, but on or before August 31,  
19 2020, two percent.

20           (g) The board of trustees shall determine the eligibility  
21 for and the amount of any adjustment in monthly annuities in  
22 accordance with this section.

23           SECTION 2. (a) Subject to Subsections (e) and (i) of this  
24 section and Section 821.006, Government Code, and except as  
25 provided by Subsection (g) of this section, the Teacher Retirement  
26 System of Texas shall make a one-time supplemental payment of a  
27 retirement or death benefit, as provided by this section.

1           (b) The supplemental payment is payable not later than  
2 September 2023 and, to the extent practicable, on a date or dates  
3 that coincide with the regular annuity payment payable to each  
4 eligible annuitant.

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

6                 (1) \$7,500, if the annuitant is at least 75 years of  
7 age on any day of the calendar month before the calendar month in  
8 which the Teacher Retirement System of Texas issues the  
9 supplemental payment; or

10                (2) \$2,400, if the annuitant is:

11                     (A) at least 70 years of age but younger than 75  
12 years of age on any day of the calendar month before the calendar  
13 month in which the Teacher Retirement System of Texas issues the  
14 supplemental payment; and

15                     (B) not subject to Subdivision (1) of this  
16 subsection.

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

25           (e) To be eligible for the supplemental payment, a person  
26 must be, for the calendar month immediately prior to the calendar  
27 month in which the Teacher Retirement System of Texas issues the

1 one-time supplemental payment in accordance with Subsection (b) of  
2 this section, an annuitant who is:

3 (1) at least 70 years of age; and

4 (2) eligible to receive:

5 (A) a standard retirement annuity payment;

6 (B) an optional retirement annuity payment as  
7 either a retiree or beneficiary;

8 (C) a life annuity payment under Section  
9 [824.402\(a\)\(4\)](#), Government Code;

10 (D) an annuity for a guaranteed period of 60  
11 months under Section [824.402\(a\)\(3\)](#), Government Code; or

12 (E) an alternate payee annuity payment under  
13 Section [804.005](#), Government Code.

14 (f) The supplemental payment is in addition to the  
15 guaranteed number of payments under Section [824.204\(c\)\(3\)](#) or (4),  
16 Section [824.308\(c\)\(3\)](#) or (4), or Section [824.402\(a\)\(3\)](#), Government  
17 Code, and may not be counted as one of the guaranteed monthly  
18 payments.

19 (g) The supplemental payment does not apply to payments  
20 under:

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

23 (2) Section [824.804\(b\)](#), Government Code, relating to  
24 participants in the deferred retirement option plan with regard to  
25 payments from their deferred retirement option plan accounts;

26 (3) Section [824.501\(a\)](#), Government Code, relating to  
27 retiree survivor beneficiaries who receive a survivor annuity in an

1 amount fixed by statute; or

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

5 (h) The board of trustees of the Teacher Retirement System  
6 of Texas shall determine the eligibility for and the amount and  
7 timing of a supplemental payment and the manner in which the payment  
8 is made.

9 (i) The Teacher Retirement System of Texas is required to  
10 make a one-time supplemental payment of benefits under this section  
11 only if the board of trustees of the Teacher Retirement System of  
12 Texas finds that the legislature appropriated money to the  
13 retirement system in an amount sufficient to provide the  
14 supplemental payment. The amount appropriated by the legislature  
15 to provide the supplemental payment must be in addition to the  
16 amount the state is required to contribute to the retirement system  
17 under Section 825.404, Government Code.

18 (j) If the board of trustees of the Teacher Retirement  
19 System of Texas determines that the appropriation provided by the  
20 legislature for the one-time supplemental payment of benefits under  
21 this section is different from the amount required to issue the  
22 supplemental payment, the comptroller, after the end of the fiscal  
23 year, shall make adjustments in the teacher retirement fund and the  
24 general revenue fund so that the total transfers during the year  
25 equal the total amount of the funds required for the supplemental  
26 payment. This transfer of funds is in addition to and separate from  
27 the amount the state is required to contribute to the retirement

1 system under Section 825.404, Government Code.

2 SECTION 3. (a) Except as provided by Subsection (b) of this  
3 section, this Act takes effect immediately if it receives a vote of  
4 two-thirds of all the members elected to each house, as provided by  
5 Section 39, Article III, Texas Constitution. If this Act does not  
6 receive the vote necessary for immediate effect, this Act takes  
7 effect September 1, 2023.

8 (b) Section 1 of this Act takes effect January 1, 2024, but  
9 only if the constitutional amendment proposed by the 88th  
10 Legislature, Regular Session, 2023, authorizing the 88th  
11 Legislature to provide a cost-of-living adjustment to certain  
12 annuitants of the Teacher Retirement System of Texas is approved by  
13 the voters. If that constitutional amendment is not approved by the  
14 voters, Section 1 of this Act has no effect.



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President of the Senate

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Speaker of the House

I hereby certify that S.B. No. 10 passed the Senate on March 29, 2023, by the following vote: Yeas 31, Nays 0; May 4, 2023, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 5, 2023, House granted request of the Senate; May 27, 2023, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

I hereby certify that S.B. No. 10 passed the House, with amendments, on May 1, 2023, by the following vote: Yeas 144, Nays 0, one present not voting; May 5, 2023, House granted request of the Senate for appointment of Conference Committee; May 28, 2023, House adopted Conference Committee Report by the following vote: Yeas 145, Nays 0, one present not voting.

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Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

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Governor