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H.B. No. 886

A BILL TO BE ENTITLED

AN ACT

relating to a one-time supplemental payment of benefits under the  
Employees Retirement System of Texas.

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

SECTION 1. (a) Subject to Subsection (i) of this section  
and Section 811.006, Government Code, the Employees 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 2026 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  
lesser 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 2025.

(d) The Employees 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 the regular monthly annuity  
payment to which the eligible annuitant is otherwise entitled.

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

month of December 2025, an annuitant eligible to receive:

(1) a standard retirement annuity payment;

(2) an optional service retirement annuity payment as either a retiree or beneficiary under Section 814.108 or 820.0535, Government Code;

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

(4) a death benefit annuity payment under Section 814.305 or 820.054, Government Code; or

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

(f) If the annuitant is a retiree or a beneficiary under an optional retirement payment plan, to be eligible for the supplemental payment, the effective date of the retirement of the member of the Employees Retirement System of Texas must have been on or before September 1, 2024. The supplemental payment shall be made to an alternate payee who is an annuitant under Section 804.005, Government Code, only if the annuity payment to the alternate payee commenced on or before September 1, 2024. The supplemental payment is in addition to the guaranteed number of payments under Section 814.108 or 820.0535, Government Code, and may not be counted as one of the guaranteed monthly payments.

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

(1) Section 814.103, 814.205, 820.053(a)(3), or 820.054, Government Code, relating to retirees or disability retirees from the elected class 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 or 820.054, Government Code,  
5 relating to retiree survivor beneficiaries who receive a survivor  
6 annuity as 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 Employees Retirement System of Texas is required to  
12 make a one-time supplemental payment of benefits under this section  
13 only if the board of trustees of the Employees Retirement System of  
14 Texas finds that the legislature appropriated money to the  
15 retirement system in an amount sufficient to provide the payment  
16 without increasing the unfunded actuarial liabilities of the  
17 retirement system. The amount appropriated by the legislature to  
18 provide the payment must be in addition to any amounts the state is  
19 required to contribute to the retirement system under Subchapter E,  
20 Chapter 815, Government Code. If the board of trustees of the  
21 Employees Retirement System of Texas finds that the legislature did  
22 not appropriate money in an amount sufficient to provide a one-time  
23 supplemental payment of benefits under this section without  
24 increasing the unfunded actuarial liabilities of the retirement  
25 system, the retirement system may not make the payment.

26           SECTION 2. This Act takes effect September 1, 2025.