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H.B. No. 3221

A BILL TO BE ENTITLED

AN ACT

relating to certain employer contributions to the Teacher Retirement System of Texas.

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

SECTION 1. Section 825.4035(c), Government Code, is amended to read as follows:

(c) An ~~[If a member is entitled to the minimum salary for certain school personnel under Section 21.402, Education Code, or if a member would have been entitled to the minimum salary for certain school personnel under former Section 16.056, Education Code, as that section existed on January 1, 1995, the]~~ employer shall, in addition to any contributions required under Section 825.405, contribute monthly to the retirement system for each ~~[such]~~ member described by Section 825.405(a)(1), (2), or (3):

(1) for the period beginning with the report month of September 2014 and ending with the report month of August 2015, an amount equal to 1.5 percent of the statutory minimum salary determined under Section 825.405(b);

(2) beginning with the report month for September 2015 and ending with the report month of August 2019, an amount equal to the lesser of:

(A) 1.5 percent of the statutory minimum salary determined under Section 825.405(b); or

(B) a percentage of the statutory minimum salary

determined under Section 825.405(b) equal to 1.5 percent reduced by one-tenth of one percent for each one-tenth of one percent that the state contribution rate for the fiscal year to which the report month relates is less than the state contribution rate established for the 2015 fiscal year; and

(3) beginning with the report month of September 2019 and for each subsequent report month, an amount equal to the lesser of:

(A) a percentage of the statutory minimum salary determined under Section 825.405(b) equal to the rate of contribution provided for the applicable fiscal year under Subsection (e); or

(B) a percentage of the statutory minimum salary determined under Section 825.405(b) equal to the percentage provided by Paragraph (A) reduced by one-tenth of one percent for each one-tenth of one percent that the state contribution rate for the fiscal year to which the report month relates is less than the state contribution rate established for that fiscal year under Section 825.404(a-2).

SECTION 2. (a) Subject to Subsection (b), this Act applies beginning with the 2025-2026 school year.

(b) The Teacher Retirement System of Texas is required to implement this Act only if the board of trustees of the Teacher Retirement System of Texas finds that the legislature appropriated money to the retirement system in an amount sufficient to cover any increase in the unfunded actuarial liabilities of the retirement system caused by the implementation of this Act. The amount

1 appropriated by the legislature to cover any increase in unfunded
2 actuarial liabilities caused by the implementation of this Act must
3 be in addition to any amounts the state is required to contribute to
4 the retirement system under Subchapter E, Chapter 825, Government
5 Code. If the board of trustees of the Teacher Retirement System of
6 Texas finds that the legislature did not appropriate money in an
7 amount sufficient to cover the cost of implementation without
8 increasing the unfunded actuarial liabilities of the retirement
9 system, the retirement system may not implement this Act.

10 SECTION 3. This Act takes effect immediately if it receives
11 a vote of two-thirds of all the members elected to each house, as
12 provided by Section 39, Article III, Texas Constitution. If this
13 Act does not receive the vote necessary for immediate effect, this
14 Act takes effect September 1, 2025.