

By: Phillips

H.B. No. 468

A BILL TO BE ENTITLED

AN ACT

1
2 relating to supplemental payments of a retirement or death benefit
3 by the Teacher Retirement System of Texas; making an appropriation.

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

5 SECTION 1. (a) The Teacher Retirement System of Texas
6 shall make two supplemental payments of a retirement or death
7 benefit, as provided by this section.

8 (b) The supplemental payments are payable in January of 2008
9 and 2009 and, to the extent practicable, on a date or dates that
10 coincide with the regular annuity payment payable to each eligible
11 annuitant.

12 (c) The amount of each supplemental payment is equal to the
13 lesser of:

14 (1) \$1,600; or

15 (2) the gross amount of the regular annuity payment to
16 which the eligible annuitant is otherwise entitled for the month of
17 December 2007 or December 2008, as applicable.

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

1 otherwise entitled.

2 (e) Subject to Subsection (f) of this section, to be
3 eligible for the supplemental payments, a person must be, for the
4 months of December 2007 and 2008, and disregarding any forfeiture
5 of benefits under Section 824.601, Government Code, an annuitant
6 eligible to receive:

7 (1) a standard retirement annuity payment;

8 (2) an optional retirement annuity payment as either a
9 retiree or beneficiary;

10 (3) a life annuity payment under Section
11 824.402(a)(4), Government Code;

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

14 (5) an alternate payee annuity payment under Section
15 804.005, Government Code.

16 (f) If the annuitant is a retiree or a beneficiary under an
17 optional retirement payment plan, to be eligible for the
18 supplemental payments, the effective date of the retirement of the
19 member of the Teacher Retirement System of Texas must have been
20 before September 1, 2006. If the annuitant is a beneficiary under
21 Section 824.402(a)(3) or (4), Government Code, to be eligible for
22 the supplemental payments, the date of death of the member of the
23 retirement system must have been before September 1, 2006. The
24 supplemental payments shall be made to an alternate payee who is an
25 annuitant under Section 804.005, Government Code, only if the
26 annuity payments to the alternate payee commenced before September
27 1, 2006. The supplemental payments are in addition to the

1 guaranteed number of payments under Section 824.402(a)(3) or
2 824.204(c)(3) or (4), Government Code, and may not be counted as one
3 of the guaranteed monthly payments.

4 (g) The supplemental payments do not apply to payments
5 under:

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

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

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

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

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

21 (i) The Teacher Retirement System of Texas shall pay the
22 supplemental payments made under this section from the retired
23 reserve account and may transfer to that account from the state
24 contribution account any portion of the amount that exceeds the
25 amount in the retired reserve account available to finance the
26 supplemental payments and that is actuarially determined to be
27 necessary to finance the supplemental payments. The supplemental

1 payments under this section must comply with Section 821.006,
2 Government Code.

3 SECTION 2. The amount necessary to fund the supplemental
4 payments required by Section 1 of this Act (an estimated amount of
5 \$496 million) is appropriated out of the general revenue fund to the
6 Teacher Retirement System of Texas:

7 (1) for the fiscal year beginning September 1, 2007,
8 for the purpose of funding the January 2008 supplemental payment;
9 and

10 (2) for the fiscal year beginning September 1, 2008,
11 for the purpose of funding the January 2009 supplemental payment.

12 SECTION 3. This Act takes effect immediately if it receives
13 a vote of two-thirds of all the members elected to each house, as
14 provided by Section 39, Article III, Texas Constitution. If this
15 Act does not receive the vote necessary for immediate effect, this
16 Act takes effect September 1, 2007.