

By: McClendon, Truitt, Pena, Otto, Kolthorst,
et al.

H.B. No. 1105

Substitute the following for H.B. No. 1105:

By: Macias

C.S.H.B. No. 1105

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the state contribution to the Teacher Retirement System
3 of Texas, including a one-time supplemental annuity payment.

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

5 SECTION 1. Section 825.404(a), Government Code, is amended
6 to read as follows:

7 (a) During each fiscal year, the state shall contribute to
8 the retirement system an amount equal to at least 6.7 [~~six~~] and not
9 more than 10 percent of the aggregate annual compensation of all
10 members of the retirement system during that fiscal year.

11 SECTION 2. (a) The Teacher Retirement System of Texas shall
12 make a one-time supplemental payment of a retirement or death
13 benefit, as provided by this section.

14 (b) The supplemental payment is payable not later than
15 September of 2007 and, to the extent practicable, on a date or dates
16 that coincide with the regular annuity payment payable to each
17 eligible annuitant.

18 (c) The amount of the supplemental payment is equal to the
19 gross amount of the regular annuity payment to which the eligible
20 annuitant is otherwise entitled for the month of August 2007.

21 (d) The supplemental payment is payable without regard to
22 any forfeiture of benefits under Section 824.601, Government Code.
23 The Teacher Retirement System of Texas shall make applicable tax
24 withholding and other legally required deductions before

1 disbursing the supplemental payment. A supplemental payment under
2 this section is in addition to and not in lieu of the regular
3 monthly annuity payment to which the eligible annuitant is
4 otherwise entitled.

5 (e) Subject to Subsection (f) of this section, to be
6 eligible for the supplemental payment, a person must be, for the
7 month of August 2007, and disregarding any forfeiture of benefits
8 under Section 824.601, Government Code, an annuitant eligible to
9 receive:

- 10 (1) a standard retirement annuity payment;
- 11 (2) an optional retirement annuity payment as either a
12 retiree or beneficiary;
- 13 (3) a life annuity payment under Section
14 824.402(a)(4), Government Code;
- 15 (4) an annuity for a guaranteed period of 60 months
16 under Section 824.402(a)(3), Government Code; or
- 17 (5) an alternate payee annuity payment under Section
18 804.005, Government Code.

19 (f) If the annuitant is a retiree or a beneficiary under an
20 optional retirement payment plan, to be eligible for the
21 supplemental payment, the effective date of the retirement of the
22 member of the Teacher Retirement System of Texas must have been on
23 or before December 31, 2006. If the annuitant is a beneficiary
24 under Section 824.402(a)(3) or (4), Government Code, to be eligible
25 for the supplemental payment, the date of death of the member of the
26 retirement system must have been on or before December 31, 2006.
27 The supplemental payment shall be made to an alternate payee who is

1 an annuitant under Section 804.005, Government Code, only if the
2 annuity payment to the alternate payee commenced on or before
3 December 31, 2006. The supplemental payment is in addition to the
4 guaranteed number of payments under Section 824.402(a)(3) or
5 824.204(c)(3) or (4), Government Code, and may not be counted as one
6 of the guaranteed monthly payments.

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

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

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

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

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

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

24 SECTION 3. Section 825.404(a), Government Code, as amended
25 by this Act, applies beginning with the fiscal year that begins
26 September 1, 2007.

27 SECTION 4. This Act takes effect September 1, 2007.