

By: Allen

H.B. No. 1713

A BILL TO BE ENTITLED

AN ACT

1
2 relating to benefits paid by the Teacher Retirement System of
3 Texas.

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

5 SECTION 1. Subchapter A, Chapter 824, Government Code, is
6 amended by adding Sections 824.007 and 824.008 to read as follows:

7 Sec. 824.007. ADJUSTMENT TO BENEFITS. (a) The amount of a
8 monthly service retirement benefit, disability retirement benefit,
9 or death benefit paid under this chapter is increased to include a
10 10 percent adjustment in accordance with this section.

11 (b) The board of trustees shall recompute the amount of a
12 benefit paid monthly under this chapter by applying the 10 percent
13 adjustment to the monthly amount otherwise required to be paid as
14 determined in accordance with the other applicable provisions of
15 this chapter and other law.

16 Sec. 824.008. ANNUAL ADJUSTMENT FOR COST OF LIVING. (a)
17 The amount of a monthly service retirement benefit, disability
18 retirement benefit, or death benefit paid under this chapter is
19 increased to include a four percent annual cost-of-living
20 adjustment in accordance with this section.

21 (b) The board of trustees shall recompute the amount of a
22 benefit paid monthly under this chapter by applying the four
23 percent adjustment to the monthly amount otherwise required to be
24 paid as determined in accordance with the other applicable

1 provisions of this chapter.

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

5 (b) The supplemental payment is payable in January of 2008
6 and, to the extent practicable, on a date or dates that coincide
7 with the regular annuity payment payable to each eligible
8 annuitant.

9 (c) The amount of the supplemental payment is equal to the
10 greater of:

11 (1) \$2,000; or

12 (2) the gross amount of the regular annuity payment to
13 which the eligible annuitant is otherwise entitled for the month of
14 December 2007.

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

23 (e) Subject to Subsection (f) of this section, to be
24 eligible for the supplemental payment, a person must be, for the
25 month of December 2007, and disregarding any forfeiture of benefits
26 under Section 824.601, Government Code, an annuitant eligible to
27 receive:

- 1 (1) a standard retirement annuity payment;
- 2 (2) an optional retirement annuity payment as either a
- 3 retiree or beneficiary;
- 4 (3) a life annuity payment under Section
- 5 824.402(a)(4), Government Code;
- 6 (4) an annuity for a guaranteed period of 60 months
- 7 under Section 824.402(a)(3), Government Code; or
- 8 (5) an alternate payee annuity payment under Section
- 9 804.005, Government Code.

10 (f) If the annuitant is a retiree or a beneficiary under an

11 optional retirement payment plan, to be eligible for the

12 supplemental payment, the effective date of the retirement of the

13 member of the Teacher Retirement System of Texas must have been

14 before September 1, 2006. If the annuitant is a beneficiary under

15 Section 824.402(a)(3) or (4), Government Code, to be eligible for

16 the supplemental payment, the date of death of the member of the

17 retirement system must have been before September 1, 2006. The

18 supplemental payment shall be made to an alternate payee who is an

19 annuitant under Section 804.005, Government Code, only if the

20 annuity payment to the alternate payee commenced before September

21 1, 2006. The supplemental payment is in addition to the guaranteed

22 number of payments under Section 824.402(a)(3) or 824.204(c)(3) or

23 (4), Government Code, and may not be counted as one of the

24 guaranteed monthly payments.

25 (g) The supplemental payment does not apply to payments

26 under:

- 27 (1) Section 824.304(a), Government Code, relating to

1 disability retirees with less than 10 years of service credit;

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

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

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

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

15 (i) The Teacher Retirement System of Texas shall pay the
16 supplemental payment made under this section from the retired
17 reserve account and may transfer to that account from the state
18 contribution account any portion of the amount that exceeds the
19 amount in the retired reserve account available to finance the
20 supplemental payment and that is actuarially determined to be
21 necessary to finance the supplemental payment. The supplemental
22 payment under this section must comply with Section 821.006,
23 Government Code.

24 SECTION 3. Sections 824.007 and 824.008, Government Code,
25 as added by this Act, apply only to a monthly benefit payment made
26 by the Teacher Retirement System of Texas on or after September 1,
27 2007.

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