

1-1 By: Averitt S.B. No. 1877
1-2 (In the Senate - Filed March 9, 2007; March 22, 2007, read
1-3 first time and referred to Committee on State Affairs;
1-4 April 4, 2007, reported favorably by the following vote: Yeas 9,
1-5 Nays 0; April 4, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the determination of compensation under the Teacher
1-9 Retirement System of Texas.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subsections (b) and (c), Section 822.201,
1-12 Government Code, are amended to read as follows:

1-13 (b) "Salary and wages" as used in Subsection (a) means:

1-14 (1) normal periodic payments of money for service the
1-15 right to which accrues on a regular basis in proportion to the
1-16 service performed;

1-17 (2) amounts by which the member's salary is reduced
1-18 under a salary reduction agreement authorized by Chapter 610;

1-19 (3) amounts that would otherwise qualify as salary and
1-20 wages under Subdivision (1) but are not received directly by the
1-21 member pursuant to a good faith, voluntary written salary reduction
1-22 agreement in order to finance payments to a deferred compensation
1-23 or tax sheltered annuity program specifically authorized by state
1-24 law or to finance benefit options under a cafeteria plan qualifying
1-25 under Section 125 of the Internal Revenue Code of 1986, if:

1-26 (A) the program or benefit options are made
1-27 available to all employees of the employer; and

1-28 (B) the benefit options in the cafeteria plan are
1-29 limited to one or more options that provide deferred compensation,
1-30 group health and disability insurance, group term life insurance,
1-31 dependent care assistance programs, or group legal services plans;

1-32 (4) performance pay awarded to an employee by a school
1-33 district as part of a total compensation plan approved by the board
1-34 of trustees of the district and meeting the requirements of
1-35 Subsection (e);

1-36 (5) the benefit replacement pay a person earns under
1-37 Subchapter H, Chapter 659, except as provided by Subsection (c);

1-38 (6) stipends paid to teachers in accordance with
1-39 Section 21.410, 21.411, 21.412, or 21.413, Education Code;

1-40 (7) amounts by which the member's salary is reduced or
1-41 that are deducted from the member's salary as authorized by
1-42 Subchapter J, Chapter 659;

1-43 (8) a merit salary increase made under Section 51.962,
1-44 Education Code; ~~and~~

1-45 (9) amounts received under the relevant parts of the
1-46 awards for student achievement program under Subchapter N, Chapter
1-47 21, Education Code, the educator excellence awards program under
1-48 Subchapter O, Chapter 21, Education Code, or a mentoring program
1-49 under Section 21.458, Education Code, that authorized compensation
1-50 for service; and

1-51 (10) salary amounts designated as health care
1-52 supplementation by an employee under Subchapter D, Chapter 22,
1-53 Education Code.

1-54 (c) Excluded from salary and wages are:

1-55 (1) expense payments;

1-56 (2) allowances;

1-57 (3) payments for unused vacation or sick leave;

1-58 (4) maintenance or other nonmonetary compensation;

1-59 (5) fringe benefits;

1-60 (6) deferred compensation other than as provided by
1-61 Subsection (b)(3);

1-62 (7) compensation that is not made pursuant to a valid
1-63 employment agreement;

1-64 (8) payments received by an employee in a school year

2-1 that exceed \$5,000 for teaching a driver education and traffic
2-2 safety course that is conducted outside regular classroom hours;

2-3 (9) the benefit replacement pay a person earns as a
2-4 result of a payment made under Subchapter B or C, Chapter 661;

2-5 (10) [~~any compensation designated as health care~~
2-6 ~~supplementation by an employee under Subchapter D, Chapter 22,~~
2-7 ~~Education Code, subject to an annual limit of \$1,000;~~

2-8 [~~(11)~~] any amount received by an employee under:

2-9 (A) former Article 3.50-8, Insurance Code;

2-10 (B) former Chapter 1580, Insurance Code;

2-11 (C) Subchapter D, Chapter 22, Education Code, as
2-12 that subchapter existed January 1, 2006; or

2-13 (D) Rider 9, Page III-39, Chapter 1330, Acts of
2-14 the 78th Legislature, Regular Session, 2003 (the General
2-15 Appropriations Act); and

2-16 (11) [~~(12)~~] any compensation not described in
2-17 Subsection (b).

2-18 SECTION 2. This Act takes effect September 1, 2007.

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