

By: Hopson

H.B. No. 1408

A BILL TO BE ENTITLED

AN ACT

relating to the state contribution to and certain annuities under the Teacher Retirement System of Texas.

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

SECTION 1. Section 824.203(a), Government Code, is amended to read as follows:

(a) Except as provided by Subsections (c) and (d), the standard service retirement annuity is an amount computed on the basis of the member's average annual compensation for the three [~~five~~] years of service, whether or not consecutive, in which the member received the highest annual compensation, times 2.3 percent for each year of service credit in the retirement system.

SECTION 2. Section 825.404(a), Government Code, is amended to read as follows:

(a) During each fiscal year, the state shall contribute to the retirement system an amount equal to at least seven [~~six and not more than 10~~] percent of the aggregate annual compensation of all members of the retirement system during that fiscal year. The amount of the state contribution made under this section may not be less than the amount contributed by members during that fiscal year in accordance with Section 825.402. The state may contribute a higher amount specified in the General Appropriations Act but may not contribute more than 10 percent of the aggregate annual compensation of all members of the retirement system during that

1 fiscal year.

2 SECTION 3. (a) Notwithstanding Sections 824.203(a) and
3 (b), Government Code, and subject to Section 821.006, Government
4 Code, the board of trustees of the Teacher Retirement System of
5 Texas shall recompute the amount of a standard service retirement
6 annuity under Chapter 824, Government Code, by applying a one-time
7 four percent increase to the monthly amount otherwise required to
8 be paid as determined in accordance with Chapter 824, Government
9 Code, including the amount of any previous increase made under
10 other law.

11 (b) An increase under Subsection (a) of this section is
12 payable beginning on September 1, 2009.

13 (c) An increase under Subsection (a) of this section is
14 payable without regard to any forfeiture of benefits under Section
15 824.601, Government Code.

16 (d) To be eligible for an increase under Subsection (a) of
17 this section, a person must be, for the month of August 2009, and
18 disregarding any forfeiture of benefits under Section 824.601,
19 Government Code, an annuitant eligible to receive:

20 (1) a standard retirement annuity payment; or

21 (2) an optional retirement annuity payment as either a
22 retiree or beneficiary.

23 (e) Except as provided by this section, the board of
24 trustees of the Teacher Retirement System of Texas shall determine
25 the eligibility for an increase under Subsection (a) of this
26 section.

27 SECTION 4. Section 824.203(a), Government Code, as amended

1 by this Act, applies only to a person who retires from the Teacher
2 Retirement System of Texas on or after the effective date of this
3 Act. A person who retires from the Teacher Retirement System of
4 Texas before the effective date of this Act is governed by the law
5 as it existed immediately before the effective date of this Act, and
6 that law is continued in effect for that purpose.

7 SECTION 5. Section 825.404(a), Government Code, as amended
8 by this Act, applies beginning with the fiscal year that begins
9 September 1, 2009.

10 SECTION 6. This Act takes effect September 1, 2009.