

By: Martinez

H.B. No. 60

A BILL TO BE ENTITLED

AN ACT

relating to a cost of living increase applicable to benefits paid by the Teacher Retirement System of Texas.

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

SECTION 1. Subchapter A, Chapter 824, Government Code, is amended by adding Section 824.008 to read as follows:

Sec. 824.008. ADJUSTMENT FOR COST OF LIVING. (a) The amount of a service retirement benefit, disability retirement benefit, or death benefit paid under this chapter is adjusted in accordance with this section as necessary to reflect inflation.

(b) Each year, during the last seven days of October, the board of trustees shall set the rate of the adjustment for the next calendar year to equal the percentage increase, if any, in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) most recently published by the Bureau of Labor Statistics of the United States Department of Labor and used by the United States Social Security Administration to provide a cost-of-living adjustment for social security benefit payments payable beginning in January of the next year.

(c) The board of trustees shall recompute the amount of a benefit paid under this chapter by applying the adjustment computed under Subsection (b) to the amount otherwise required to be paid as determined in accordance with the other applicable provisions of this chapter.

1       (d) The board of trustees may not pay a benefit increase  
2 under this section in any calendar year unless the board finds that  
3 the retirement system is actuarially sound and has money available  
4 to pay increased benefits in that year. If the board of trustees  
5 finds that the retirement system is actuarially sound, but that the  
6 amount of money available is not sufficient to pay the full amount  
7 of the adjustment under Subsection (b), the board shall compute the  
8 largest rate of adjustment possible for the amount of money  
9 available while maintaining the actuarial soundness of the system  
10 and shall use that rate in recomputing the benefit amount under  
11 Subsection (c) for that calendar year.

12       SECTION 2. This Act applies only to a benefit paid by the  
13 Teacher Retirement System of Texas on or after January 1, 2012.

14       SECTION 3. This Act takes effect immediately if it receives  
15 a vote of two-thirds of all the members elected to each house, as  
16 provided by Section 39, Article III, Texas Constitution. If this  
17 Act does not receive the vote necessary for immediate effect, this  
18 Act takes effect September 1, 2011.