

By: Allen

H.B. No. 917

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 824.008 and 824.009 to read as follows:

7 Sec. 824.008. 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. 824.009. 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 2012 and,
6 to the extent practicable, on a date or dates that coincide with the
7 regular annuity payment payable to each eligible annuitant.

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

10 (1) \$2,000; or

11 (2) the gross amount of the regular annuity payment to
12 which the eligible annuitant is otherwise entitled for the month of
13 December 2011.

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

22 (e) Subject to Subsection (f) of this section, to be
23 eligible for the supplemental payment, a person must be, for the
24 month of December 2011, and disregarding any forfeiture of benefits
25 under Section 824.601, Government Code, an annuitant eligible to
26 receive:

27 (1) a standard retirement annuity payment;

1 (2) an optional retirement annuity payment as either a
2 retiree or beneficiary;

3 (3) a life annuity payment under Section
4 824.402(a)(4), Government Code;

5 (4) an annuity for a guaranteed period of 60 months
6 under Section 824.402(a)(3), Government Code; or

7 (5) an alternate payee annuity payment under Section
8 804.005, Government Code.

9 (f) If the annuitant is a retiree or a beneficiary under an
10 optional retirement payment plan, to be eligible for the
11 supplemental payment, the effective date of the retirement of the
12 member of the Teacher Retirement System of Texas must have been
13 before September 1, 2010. If the annuitant is a beneficiary under
14 Section 824.402(a)(3) or (4), Government Code, to be eligible for
15 the supplemental payment, the date of death of the member of the
16 retirement system must have been before September 1, 2010. The
17 supplemental payment shall be made to an alternate payee who is an
18 annuitant under Section 804.005, Government Code, only if the
19 annuity payment to the alternate payee commenced before September
20 1, 2010. The supplemental payment is in addition to the guaranteed
21 number of payments under Section 824.402(a)(3) or 824.204(c)(3) or
22 (4), Government Code, and may not be counted as one of the
23 guaranteed monthly payments.

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

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

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

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

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

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

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

23 SECTION 3. Sections 824.008 and 824.009, Government Code,
24 as added by this Act, apply only to a monthly benefit payment made
25 by the Teacher Retirement System of Texas on or after September 1,
26 2011.

27 SECTION 4. This Act takes effect September 1, 2011.