

A BILL TO BE ENTITLED

1 AN ACT
2 relating to a supplemental payment for retirees of the Teacher
3 Retirement System of Texas and the unfunded actuarial liabilities
4 allowed under that system.

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

6 SECTION 1. Section 821.006, Government Code, is amended by
7 adding Subsections (c) and (d) to read as follows:

8 (c) Notwithstanding Subsections (a) and (b), the retirement
9 system may provide a one-time supplemental payment to an annuitant
10 eligible to receive:

11 (1) a standard retirement annuity payment;

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

14 (3) a life annuity payment under Section
15 824.402(a)(4);

16 (4) an annuity for a guaranteed period of 60 months
17 under Section 824.402(a)(3); or

18 (5) an alternate payee annuity payment under Section
19 804.005.

20 (d) A one-time supplemental payment under Subsection (c) is
21 authorized, even if the amortization period for the unfunded
22 actuarial liabilities of the retirement system exceeds 30 years by
23 one or more years, only if the payment can be made while preserving
24 the ability of the retirement system to meet at least 80 percent of

1 the system's pension obligations. Subsection (c) and this
2 subsection expire September 1, 2013.

3 SECTION 2. Section 825.402, Government Code, is amended by
4 adding Subsection (c-1) to read as follows:

5 (c-1) Subsection (c) does not apply to a supplemental
6 payment authorized by Sections 821.006(c) and (d). This subsection
7 expires September 1, 2013.

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

11 (b) The supplemental payment is payable not later than
12 September 2011 and, to the extent practicable, on a date or dates
13 that coincide with the regular annuity payment payable to each
14 eligible annuitant.

15 (c) The amount of the supplemental payment is equal to the
16 lesser of:

17 (1) the gross amount of the regular annuity payment to
18 which the eligible annuitant is otherwise entitled for the month of
19 August 2011; or

20 (2) \$2,400.

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

1 otherwise entitled.

2 (e) Subject to Subsection (f) of this section, to be
3 eligible for the supplemental payment, a person must be, for the
4 month of August 2011, and disregarding any forfeiture of benefits
5 under Section 824.601, Government Code, an annuitant eligible to
6 receive:

7 (1) a standard retirement annuity payment;

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

10 (3) a life annuity payment under Section
11 824.402(a)(4), Government Code;

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

14 (5) an alternate payee annuity payment under Section
15 804.005, Government Code.

16 (f) If the annuitant is a retiree or a beneficiary under an
17 optional retirement payment plan, to be eligible for the
18 supplemental payment, the effective date of the retirement of the
19 member of the Teacher Retirement System of Texas must have been on
20 or before December 31, 2008. If the annuitant is a beneficiary
21 under Section 824.402(a)(3) or (4), Government Code, to be eligible
22 for the supplemental payment, the date of death of the member of the
23 retirement system must have been on or before December 31, 2008.
24 The supplemental payment shall be made to an alternate payee who is
25 an annuitant under Section 804.005, Government Code, only if the
26 annuity payment to the alternate payee commenced on or before
27 December 31, 2008. The supplemental payment is in addition to the

1 guaranteed number of payments under Section 824.402(a)(3),
2 824.204(c)(3) or (4), or 824.308(c)(3) or (4), Government Code, and
3 may not be counted as one of the guaranteed monthly payments.

4 (g) The supplemental payment does not apply to payments
5 under:

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

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

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

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

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

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