

By: Lozano

H.B. No. 792

A BILL TO BE ENTITLED

AN ACT

relating to a moratorium on increases paid to certain employees of  
and investment managers for the Teacher Retirement System of Texas.

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

SECTION 1. Subchapter D, Chapter 825, Government Code, is  
amended by adding Section 825.3013 to read as follows:

Sec. 825.3013. MORATORIUM ON CERTAIN COMPENSATION  
INCREASES AND BONUSES. (a) This section applies only to a person  
who is the executive director of the retirement system, the chief  
investment officer of the retirement system, an investment manager  
in the investment management division of the retirement system, or  
a private professional investment manager to whom the retirement  
system has delegated or may delegate authority under Section  
825.301 to invest and manage assets of the retirement system.

(b) Notwithstanding a compensation provision for retirement  
system employees to the contrary, the retirement system may not  
provide a salary increase or bonus of any type to an employee of the  
retirement system described by Subsection (a).

(c) The retirement system may not renew or enter into a  
contract with a private professional investment manager if the  
contract provides for a bonus or other pay increase based on the  
performance of the investments managed by that person.

(d) Before this section expires under Subsection (e), the  
retirement system must produce a written report on the amount of the

1 cost of living adjustment and the date of the first annuity payments  
2 that include the adjustment. The report shall be submitted to the  
3 governor, the lieutenant governor, the speaker of the house of  
4 representatives, and the standing legislative committees with  
5 primary jurisdiction over public pension systems.

6 (e) This section expires on the 30th day after the date the  
7 retirement system provides a cost of living adjustment for benefits  
8 paid under Chapter 824.

9 SECTION 2. This Act takes effect immediately if it receives  
10 a vote of two-thirds of all the members elected to each house, as  
11 provided by Section 39, Article III, Texas Constitution. If this  
12 Act does not receive the vote necessary for immediate effect, this  
13 Act takes effect September 1, 2013.