

By: Allen

H.B. No. 701

A BILL TO BE ENTITLED

AN ACT

1
2 relating to certain benefits paid by the Employees Retirement
3 System of Texas.

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

5 SECTION 1. Subchapter G, Chapter 814, Government Code, is
6 amended by adding Sections 814.605 and 814.606 to read as follows:

7 Sec. 814.605. ADJUSTMENT TO BENEFITS. (a) The amount of a
8 monthly service retirement benefit, disability retirement benefit,
9 or death benefit paid under this chapter to a retiree or beneficiary
10 for service credited in the employee class is increased to include a
11 10 percent adjustment in accordance with this section.

12 (b) The board of trustees shall recompute the amount of a
13 benefit paid monthly under this chapter by applying the 10 percent
14 adjustment to the monthly amount otherwise required to be paid as
15 determined in accordance with this chapter.

16 Sec. 814.606. ANNUAL COST-OF-LIVING ADJUSTMENT. (a) The
17 amount of a monthly service retirement benefit, disability
18 retirement benefit, or death benefit paid under this chapter to a
19 retiree or beneficiary for service credited in the employee class
20 is increased to include a four percent annual cost-of-living
21 adjustment in accordance with this section.

22 (b) The board of trustees shall recompute the amount of a
23 benefit paid monthly under this chapter by applying the four
24 percent adjustment to the monthly amount otherwise required to be

1 paid as determined in accordance with this chapter.

2 SECTION 2. (a) The Employees 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) A supplemental payment is payable in January 2016, 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 lesser 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 2015.

14 (d) The Employees Retirement System of Texas shall make
15 applicable tax withholding and other legally required deductions
16 before disbursing the supplemental payment. A supplemental payment
17 under this section is in addition to and not in lieu of the regular
18 monthly annuity payment to which the eligible annuitant is
19 otherwise entitled.

20 (e) Subject to Subsections (f) and (g) of this section, to
21 be eligible for the supplemental payment, a person must be, for the
22 month of December 2015, an annuitant eligible to receive:

23 (1) a standard retirement annuity payment;

24 (2) an optional service retirement annuity payment as
25 either a retiree or beneficiary under Section [814.108](#), Government
26 Code;

27 (3) a standard or occupational disability retirement

1 annuity payment;

2 (4) a death benefit annuity payment under Section
3 814.305, Government Code; or

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

6 (f) If the annuitant is a retiree or a beneficiary under an
7 optional retirement payment plan, to be eligible for the
8 supplemental payment, the effective date of the retirement of the
9 member of the Employees Retirement System of Texas must have been on
10 or before September 1, 2014. The supplemental payment shall be made
11 to an alternate payee who is an annuitant under Section 804.005,
12 Government Code, only if the annuity payment to the alternate payee
13 commenced on or before September 1, 2014. The supplemental payment
14 is in addition to the guaranteed number of payments under Section
15 814.108, Government Code, and may not be counted as one of the
16 guaranteed monthly payments.

17 (g) The supplemental payment does not apply to payments
18 under:

19 (1) Section 814.103 or 814.205, Government Code,
20 relating to retirees or disability retirees from the elected class
21 of membership;

22 (2) a subtitle other than Subtitle B, Title 8,
23 Government Code, except as provided by Subsection (e)(5) of this
24 section; or

25 (3) Section 814.304, Government Code, relating to
26 retiree survivor beneficiaries who receive a survivor annuity as
27 the surviving spouse of a member of the elected class.

1 (h) Except as provided by this section, the board of
2 trustees of the Employees Retirement System of Texas shall
3 determine the eligibility for and the amount and timing of a
4 supplemental payment and the manner in which the payment is made.

5 (i) The supplemental payment is subject solely to the
6 availability of appropriated funds. The supplemental payment must
7 comply with Section 811.006, Government Code.

8 SECTION 3. Section 814.604, Government Code, is repealed.

9 SECTION 4. Sections 814.605 and 814.606, Government Code,
10 as added by this Act, apply only to a monthly benefit payment made
11 by the Employees Retirement System of Texas on or after September 1,
12 2015.

13 SECTION 5. This Act takes effect September 1, 2015.