

BILL ANALYSIS

H.B. 80
By: Darby
Appropriations
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties cite the encouragement of the governor in calling for an increase in benefits for retired teachers who are seeing dramatic increases in health care costs and plan changes. H.B. 80 seeks to address this issue by making a one-time cost-of-living adjustment applicable to certain benefits paid by the Teacher Retirement System of Texas.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 80 amends the Government Code to require the Teacher Retirement System of Texas (TRS) to make a one-time cost-of-living adjustment payable to annuitants receiving a monthly death or retirement benefit annuity. The bill requires a person, to be eligible for the adjustment, to be an annuitant eligible to receive, on the effective date of the adjustment and disregarding any forfeiture of monthly benefits based on resumption of service, a standard service or disability retirement annuity payment, an optional service or disability retirement annuity payment as either a retiree or beneficiary, an annuity payment for a 60-month period as the designated beneficiary of an active TRS member who dies during a school year in which the member has performed service, an annuity payment for the life of such a designated beneficiary, an annuity payment as the designated beneficiary of a disability retiree who meets certain criteria, or an alternate payee annuity payment under certain circumstances in lieu of benefits awarded by a qualified domestic relations order.

H.B. 80 requires, for an annuitant who is a retiree or who is a beneficiary under an optional retirement payment plan to be eligible for the adjustment, the annuitant to be living on the effective date of the adjustment and the effective date of the TRS member's retirement to have been after August 31, 2004, and on or before August 31, 2015. The bill requires, for an annuitant who is a designated beneficiary receiving an annuity payment for a 60-month period on the death of an active TRS member, an annuity payment for life on the death of an active TRS member, or an annuity payment on the death of a disability retiree to be eligible for the adjustment, the annuitant to be living on the effective date of the adjustment and the date of the TRS member's death to have been after August 31, 2004, and on or before August 31, 2015. The bill makes an annuitant who is an alternate payee receiving an annuity payment in lieu of benefits awarded by a qualified domestic relations order eligible for the adjustment only if the effective date of the election to receive the annuity payment was after August 31, 2004, and on or before August 31,

2015.

H.B. 80 requires the adjustment to be made beginning with an annuity payable for the month of December 2017 and limits the adjustment to the lesser of an amount equal to three percent of the monthly benefit subject to the increase or \$100 a month. The bill requires the TRS board of trustees to determine the eligibility for and the amount of any adjustment in monthly annuities in accordance with the bill's provisions. The bill excludes from the application of the adjustment payments made under specified statutory provisions relating to retirees who receive a standard service retirement annuity in an amount fixed by statute, relating to disability retirees with less than 10 years of service credit, relating to disability retirees who receive a disability annuity in an amount fixed by statute, relating to active member survivor beneficiaries who receive a survivor annuity in an amount fixed by statute, relating to retiree survivor beneficiaries who receive a survivor annuity in an amount fixed by statute, or relating to participants in the deferred retirement option plan with regard to payments from their deferred retirement option plan accounts.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, December 1, 2017.