

By: Muñoz, Jr.

H.B. No. 388

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the computation of the standard service retirement
3 annuity for members of the Teacher Retirement System of Texas
4 enrolled in the Texas Public School Employees Group Insurance
5 Program.

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

7 SECTION 1. Section 824.203(a), Government Code, is amended
8 to read as follows:

9 (a) Except as provided by Subsections (c) and (d), and
10 subject to Section 824.2035, the standard service retirement
11 annuity is an amount computed on the basis of the member's average
12 annual compensation for the five years of service, whether or not
13 consecutive, in which the member received the highest annual
14 compensation, times 2.3 percent for each year of service credit in
15 the retirement system.

16 SECTION 2. Subchapter C, Chapter 824, Government Code, is
17 amended by adding Section 824.2035 to read as follows:

18 Sec. 824.2035. STANDARD SERVICE RETIREMENT BENEFITS:
19 ADJUSTMENT OF PERCENTAGE FACTOR. (a) In this section, "group
20 program" and "health benefit plan" have the meanings assigned by
21 Section 1575.002, Insurance Code.

22 (b) The board of trustees shall:

23 (1) study the out-of-pocket costs paid and projected
24 to be paid by annuitants for health benefit plan coverage provided

1 under the group program, including premiums, deductibles, and
2 prescription drug costs; and

3 (2) based on the board's findings under Subdivision
4 (1) and notwithstanding any other law, by rule adopt a method or
5 formula for increasing the percentage factor used in the
6 computation of the standard service retirement annuity under
7 Section 824.203(a) for annuitants enrolled in the group program in
8 order to mitigate the impact projected out-of-pocket costs have on
9 the annuitants' service retirement annuities.

10 SECTION 3. Not later than December 31, 2018, the board of
11 trustees of the Teacher Retirement System of Texas shall complete
12 the study and adopt the rule required by Section 824.2035,
13 Government Code, as added by this Act.

14 SECTION 4. The changes in law made by this Act apply:

15 (1) to a person who is an annuitant of the Teacher
16 Retirement System of Texas on or after September 1, 2019,
17 regardless of whether the person became an annuitant before, on, or
18 after that date; and

19 (2) beginning with the first annuity payable on or
20 after September 1, 2019.

21 SECTION 5. This Act takes effect December 1, 2017.