86R6145 TSR-F

By:  Huberty H.B. No. 2795

A BILL TO BE ENTITLED

AN ACT

relating to a one-time supplemental annuity payment to certain retirees and beneficiaries of the Teacher Retirement System of Texas.

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

SECTION 1.  Subchapter A, Chapter 824, Government Code, is amended by adding Section 824.010 to read as follows:

Sec. 824.010.  SUPPLEMENTAL PAYMENT. (a) Notwithstanding Section 821.006, the retirement system may make a one-time supplemental payment as provided by this section to an annuitant eligible to receive a monthly retirement, disability, or death benefit annuity under this subchapter. A supplemental payment made under this section:

(1)  is in addition to the regular monthly annuity payment; and

(2)  must be made using earnings the system makes on investments as provided by this section.

(b)  The retirement system shall pay the supplemental payment in January following the fiscal year in which the actual rate of return on the investment of the system's cash and securities exceeds the assumed rate of return used in the actuarial valuation prepared by the system for that fiscal year.

(c)  The retirement system shall determine the aggregate supplemental payment amount available for making supplemental payments under this section by:

(1)  requiring the system's actuary to determine the value of the system's investment returns that represent the amount by which the actual rate of return exceeds the assumed rate of return under Subsection (d); and

(2)  multiplying that value by 50 percent.

(d)  The board of trustees shall, based on the aggregate supplemental payment amount, determine:

(1)  who is eligible to receive the supplemental payment based on years of service, effective date of retirement or death, as applicable, and other reasonable criteria;

(2)  the amount of each annuitant's supplemental payment; and

(3)  the manner in which the payment is made.

(e)  This section expires on the second anniversary of the date on which the supplemental payment authorized under this section is made.

SECTION 2.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2019.