

By: Huberty

H.B. No. 2795

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a one-time supplemental annuity payment to certain
3 retirees and beneficiaries of the Teacher Retirement System of
4 Texas.

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

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

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

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

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

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

23 (c) The retirement system shall determine the aggregate
24 supplemental payment amount available for making supplemental

1 payments under this section by:

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

6 (2) multiplying that value by 50 percent.

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

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

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

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

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

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