

By: Dominguez

H.B. No. 4025

A BILL TO BE ENTITLED

AN ACT

relating to the state contributions to the Teacher Retirement System of Texas.

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

SECTION 1. Section 825.404, Government Code, is amended by amending Subsections (a) and (a-1) and adding Subsection (a-2) to read as follows:

(a) Except as provided by Subsection (a-1) and subject to Subsection (a-2), during each fiscal year, the state shall contribute to the retirement system an amount equal to at least six and not more than 10 percent of the aggregate annual compensation of all members of the retirement system during that fiscal year.

(a-1) In computing the amount owed by the state under this section [~~Subsection (a)~~], the compensation of members who are employed by public junior colleges or public junior college districts shall be included in the aggregate annual compensation as follows:

(1) 50 percent of the eligible creditable compensation of employees who:

(A) otherwise are eligible for membership in the retirement system; and

(B) are instructional or administrative employees whose salaries may be fully paid from funds appropriated under the General Appropriations Act, regardless of whether such

1 salaries are actually paid from appropriated funds; and

2 (2) none of the eligible creditable compensation of
3 all other employees who:

4 (A) do not meet the requirements of Subdivision
5 (1)(B) but are otherwise eligible for membership in the retirement
6 system; or

7 (B) cannot be included as a qualifying employee
8 under Subdivision (1) by application of Subsection (b-1).

9 (a-2) The state contribution required by Subsection (a) is:

10 (1) for the fiscal year beginning on September 1,
11 2019, seven percent of the aggregate annual compensation of all
12 members of the retirement system during that fiscal year;

13 (2) for the fiscal year beginning on September 1,
14 2020, 7.2 percent of the aggregate annual compensation of all
15 members of the retirement system during that fiscal year;

16 (3) for the fiscal year beginning on September 1,
17 2021, 7.4 percent of the aggregate annual compensation of all
18 members of the retirement system during that fiscal year;

19 (4) for the fiscal year beginning on September 1,
20 2022, 7.6 percent of the aggregate annual compensation of all
21 members of the retirement system during that fiscal year;

22 (5) for the fiscal year beginning on September 1,
23 2023, 7.8 percent of the aggregate annual compensation of all
24 members of the retirement system during that fiscal year; and

25 (6) for the fiscal year beginning on September 1,
26 2024, and each subsequent fiscal year, eight percent of the
27 aggregate annual compensation of all members of the retirement

1 system during that fiscal year.

2 SECTION 2. This Act takes effect September 1, 2019.