

By: Herrero

H.B. No. 4491

A BILL TO BE ENTITLED

AN ACT

1
2 relating to contributions to, benefits from, and the administration
3 of systems and programs administered by the Teacher Retirement
4 System of Texas, including a one-time supplemental payment for
5 retirees.

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

7 SECTION 1. (a) Section [821.006](#), Government Code, is
8 amended by adding Subsections (c) and (d) to read as follows:

9 (c) Notwithstanding Subsections (a) and (b), the retirement
10 system may provide a one-time supplemental payment to an annuitant
11 eligible to receive:

12 (1) a standard retirement annuity payment;

13 (2) an optional retirement annuity payment as either a
14 retiree or beneficiary;

15 (3) a life annuity payment under Section
16 [824.402](#)(a)(4);

17 (4) an annuity for a guaranteed period of 60 months
18 under Section [824.402](#)(a)(3); or

19 (5) an alternate payee annuity payment under Section
20 [804.005](#).

21 (d) A one-time supplemental payment under Subsection (c) is
22 authorized if the amortization period for the unfunded actuarial
23 liabilities of the retirement system does not exceed 30 years by one
24 or more years after payment of the supplemental payment.

1 (b) The Teacher Retirement System of Texas shall make a
2 one-time supplemental payment of a retirement or death benefit, as
3 provided by Section 821.006, Government Code, as amended by this
4 Act, and this section.

5 (c) The supplemental payment is payable not later than
6 September 2019 and, to the extent practicable, on a date or dates
7 that coincide with the regular annuity payment payable to each
8 eligible annuitant.

9 (d) The amount of the supplemental payment is equal to the
10 lesser of:

11 (1) the gross amount of the regular annuity payment to
12 which the eligible annuitant is otherwise entitled for the month of
13 August 2019; or

14 (2) \$2,400.

15 (e) The supplemental payment is payable without regard to
16 any forfeiture of benefits under Section 824.601, Government Code.
17 The Teacher Retirement System of Texas shall make applicable tax
18 withholding and other legally required deductions before
19 disbursing the supplemental payment. A supplemental payment under
20 this section is in addition to and not in lieu of the regular
21 monthly annuity payment to which the eligible annuitant is
22 otherwise entitled.

23 (f) Subject to Subsection (g) of this section, to be
24 eligible for the supplemental payment, a person must be, for the
25 month of August 2019, and disregarding any forfeiture of benefits
26 under Section 824.601, Government Code, an annuitant eligible to
27 receive:

- 1 (1) a standard retirement annuity payment;
- 2 (2) an optional retirement annuity payment as either a
3 retiree or beneficiary;
- 4 (3) a life annuity payment under Section
5 824.402(a)(4), Government Code;
- 6 (4) an annuity for a guaranteed period of 60 months
7 under Section 824.402(a)(3), Government Code; or
- 8 (5) an alternate payee annuity payment under Section
9 804.005, Government Code.

10 (g) If the annuitant is a retiree or a beneficiary under an
11 optional retirement payment plan, to be eligible for the
12 supplemental payment, the effective date of the retirement of the
13 member of the Teacher Retirement System of Texas must have been on
14 or before August 31, 2015. If the annuitant is a beneficiary under
15 Section 824.402(a)(3) or (4), Government Code, to be eligible for
16 the supplemental payment, the date of death of the member of the
17 retirement system must have been on or before August 31, 2015. The
18 supplemental payment shall be made to an alternate payee who is an
19 annuitant under Section 804.005, Government Code, only if the
20 annuity payment to the alternate payee commenced on or before
21 August 31, 2015. The supplemental payment is in addition to the
22 guaranteed number of payments under Section 824.402(a)(3),
23 824.204(c)(3) or (4), or 824.308(c)(3) or (4), Government Code, and
24 may not be counted as one of the guaranteed monthly payments.

25 (h) The supplemental payment does not apply to payments
26 under:

- 27 (1) Section 824.304(a), Government Code, relating to

1 disability retirees with less than 10 years of service credit;

2 (2) Section 824.804(b), Government Code, relating to
3 participants in the deferred retirement option plan with regard to
4 payments from their deferred retirement option plan accounts;

5 (3) Section 824.501(a), Government Code, relating to
6 retiree survivor beneficiaries who receive a survivor annuity in an
7 amount fixed by statute; or

8 (4) Section 824.404(a), Government Code, relating to
9 active member survivor beneficiaries who receive a survivor annuity
10 in an amount fixed by statute.

11 (i) Except as provided by this section, the board of
12 trustees of the Teacher Retirement System of Texas shall determine
13 the eligibility for and the amount and timing of a supplemental
14 payment and the manner in which the payment is made.

15 SECTION 2. (a) Sections 824.601(b-1) and (f), Government
16 Code, are amended to read as follows:

17 (b-1) Subsection (b) does not apply to a retiree:

18 (1) under Section 824.202 whose effective date of
19 retirement is on or before August 31, 2018; or

20 (2) who commits a minor violation of a provision of
21 this subchapter, including a minor violation of an exception
22 provided by Section 824.602, unless the violation occurs frequently
23 [January 1, 2011].

24 (f) The system shall ~~may~~ adopt rules necessary for
25 administering this subchapter, including rules necessary to
26 implement Subsection (b-1)(2).

27 (b) A person who resumed employment after retirement and

1 whose benefit payments were suspended under Section 824.601,
2 Government Code, as that section existed before amendment by this
3 Act, is entitled to the resumption of monthly benefit payments if
4 the person meets the requirements of Section 824.601(b-1),
5 Government Code, as amended by this Act.

6 (c) The Teacher Retirement System of Texas shall resume
7 making monthly benefit payments to a person described by Subsection
8 (b) of this section on the first payment date occurring on or after
9 the effective date of this Act.

10 (d) A person who is entitled to the resumption of monthly
11 benefit payments under this section is not entitled to recover
12 benefit payments not made during the period the person's benefit
13 was suspended under Section 824.601, Government Code, as that
14 section existed before amendment by this Act.

15 SECTION 3. (a) Section 824.602, Government Code, is
16 amended by amending Subsection (a) and adding Subsection (c) to
17 read as follows:

18 (a) Subject to Subsection (c) and Section 825.506, the
19 retirement system may not, under Section 824.601, withhold a
20 monthly benefit payment if the retiree is employed in a Texas public
21 educational institution:

22 (1) as a substitute only with pay not more than the
23 daily rate of substitute pay established by the employer and, if the
24 retiree is a disability retiree, the employment has not exceeded a
25 total of 90 days in the school year;

26 (2) in a position, other than as a substitute, on no
27 more than a one-half time basis for the month;

1 (3) in one or more positions on as much as a full-time
2 basis, if the retiree has been separated from service with all Texas
3 public educational institutions for at least 12 full consecutive
4 months after the retiree's effective date of retirement; or

5 (4) in a position, other than as a substitute, on no
6 more than a one-half time basis for no more than 90 days in the
7 school year, if the retiree is a disability retiree.

8 (c) An exception provided by Subsection (a)(2) or (4)
9 continues to apply to a retiree who exceeds a limitation prescribed
10 by the subsection because of an event or other circumstance that is
11 beyond the retiree's control, including a weather-related event.
12 The board of trustees shall adopt rules necessary to implement this
13 subsection.

14 (b) Section 824.602, Government Code, as amended by this
15 Act, applies only to a benefit payment made by the Teacher
16 Retirement System of Texas that becomes payable on or after the
17 effective date of this Act.

18 SECTION 4. The heading to Section 825.4035, Government
19 Code, is amended to read as follows:

20 Sec. 825.4035. EMPLOYER CONTRIBUTIONS [~~FOR CERTAIN~~
21 ~~EMPLOYED MEMBERS FOR WHOM THE EMPLOYER IS NOT MAKING CONTRIBUTIONS~~
22 ~~TO THE FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE~~
23 ~~PROGRAM~~].

24 SECTION 5. Sections 825.4035(a) and (b), Government Code,
25 are amended to read as follows:

26 (a) This section[+
27 [~~(1)~~] applies to an employer who reports to the

1 retirement system under Section 825.403 the employment of a member
2 ~~[for whom the employer is not making contributions to the federal~~
3 ~~Old-Age, Survivors, and Disability Insurance program; and~~

4 ~~[(2) does not apply to an employer that is an~~
5 ~~institution of higher education].~~

6 (b) Except as provided in Subsection (c), for each member
7 an ~~[the]~~ employer reports to the retirement system ~~[and for whom the~~
8 ~~employer is not making contributions to the federal Old-Age,~~
9 ~~Survivors, and Disability Insurance program]~~, the employer shall
10 contribute monthly to the retirement system for each such member ~~[+~~

11 ~~[(1) for the period beginning with the report month of~~
12 ~~September 2014 and ending with the report month of August 2015, an~~
13 ~~amount equal to 1.5 percent of the member's compensation; and~~

14 ~~[(2) beginning with the report month for September~~
15 ~~2015,~~] an amount equal to the lesser of:

16 (1) ~~[(A)]~~ 1.5 percent of the member's compensation; or

17 (2) ~~[(B)]~~ a percentage of the member's compensation
18 equal to 1.5 percent reduced by one-tenth of one percent for each
19 one-tenth of one percent that the state contribution rate for the
20 fiscal year to which the report month relates is less than the state
21 contribution rate established for the 2015 fiscal year.

22 SECTION 6. (a) Subchapter F, Chapter 825, Government Code,
23 is amended by adding Section 825.521 to read as follows:

24 Sec. 825.521. DEADLINE TO APPEAL. A period established by
25 law or rule during which a member or retiree may appeal an
26 administrative decision of an employee of the retirement system,
27 including the executive director, may not begin before the eighth

1 day after the date the employee notifies the member or retiree of
2 the decision. The notice required by this section must be made in
3 accordance with rules of the board of trustees.

4 (b) As soon as practicable after the effective date of this
5 Act, the board of trustees of the Teacher Retirement System of Texas
6 shall adopt rules necessary to implement the change in law made by
7 Section 825.521, Government Code, as added by this Act.

8 (c) The change in law made by Section 825.521, Government
9 Code, as added by this Act, applies only to the appeal of an
10 administrative decision of an employee of the Teacher Retirement
11 System of Texas made on or after January 1, 2020. An appeal of a
12 decision made before January 1, 2020, is governed by the law as it
13 existed immediately before the effective date of this Act and that
14 law is continued in effect for that purpose.

15 SECTION 7. Section 1575.202(a), Insurance Code, is amended
16 to read as follows:

17 (a) Each state fiscal year, the state shall contribute to
18 the fund an amount equal to a percentage [~~1.25 percent~~] of the
19 salary of each active employee as follows:

20 (1) for the 2020 and 2021 fiscal years, 2.25 percent;

21 (2) for the 2022 fiscal year, 2.5 percent;

22 (3) for the 2023 fiscal year, 2.75 percent;

23 (4) for the 2024 fiscal year, three percent;

24 (5) for the 2025 fiscal year, 3.25 percent;

25 (6) for the 2026 fiscal year, 3.5 percent;

26 (7) for the 2027 fiscal year, 3.75 percent;

27 (8) for the 2028 fiscal year, four percent; and

1 (9) for the 2029 fiscal year, and each subsequent
2 fiscal year, 4.25 percent.

3 SECTION 8. This Act takes effect September 1, 2019.