

By: Huffman

S.B. No. 393

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Section 825.402, Government Code, is amended to read as follows:

Sec. 825.402. RATE OF MEMBER CONTRIBUTIONS. The rate of contributions for each member of the retirement system is:

(1) five percent of the member's annual compensation or \$180, whichever is less, for service rendered after August 31, 1937, and before September 1, 1957;

(2) six percent of the first \$8,400 of the member's annual compensation for service rendered after August 31, 1957, and before September 1, 1969;

(3) six percent of the member's annual compensation for service rendered after August 31, 1969, and before the first day of the 1977-78 school year;

(4) 6.65 percent of the member's annual compensation for service rendered after the last day of the period described by Subdivision (3) and before September 1, 1985;

(5) 6.4 percent of the member's annual compensation for service rendered after August 31, 1985, and before September 1, 2014;

(6) 6.7 percent of the member's annual compensation

1 for service rendered after August 31, 2014, and before September 1,
2 2015;

3 (7) 7.2 percent of the member's annual compensation
4 for service rendered after August 31, 2015, and before September 1,
5 2016;

6 (8) 7.7 percent of the member's annual compensation
7 for service rendered after August 31, 2016, and before September 1,
8 2017; ~~and~~

9 (9) for compensation paid ~~[service rendered]~~ on or
10 after September 1, 2017, and before September 1, 2019, the lesser
11 of:

12 (A) 7.7 percent of the member's annual
13 compensation; or

14 (B) a percentage of the member's annual
15 compensation equal to 7.7 percent reduced by one-tenth of one
16 percent for each one-tenth of one percent that the state
17 contribution rate for the fiscal year to which the service relates
18 is less than the state contribution rate established for the 2015
19 fiscal year;

20 (10) for compensation paid on or after September 1,
21 2019, and before September 1, 2020, the lesser of:

22 (A) 8.25 percent of the member's annual
23 compensation; or

24 (B) a percentage of the member's annual
25 compensation equal to 8.25 percent reduced by one-tenth of one
26 percent for each one-tenth of one percent that the state
27 contribution rate for the fiscal year to which the service relates

1 is less than the state contribution rate established for the 2015
2 fiscal year;

3 (11) for compensation paid on or after September 1,
4 2020, and before September 1, 2021, the lesser of:

5 (A) 8.5 percent of the member's annual
6 compensation; or

7 (B) a percentage of the member's annual
8 compensation equal to 8.5 percent reduced by one-tenth of one
9 percent for each one-tenth of one percent that the state
10 contribution rate for the fiscal year to which the service relates
11 is less than the state contribution rate established for the 2015
12 fiscal year;

13 (12) for compensation paid on or after September 1,
14 2021, and before September 1, 2022, the lesser of:

15 (A) 8.75 percent of the member's annual
16 compensation; or

17 (B) a percentage of the member's annual
18 compensation equal to 8.75 percent reduced by one-tenth of one
19 percent for each one-tenth of one percent that the state
20 contribution rate for the fiscal year to which the service relates
21 is less than the state contribution rate established for the 2015
22 fiscal year;

23 (13) for compensation paid on or after September 1,
24 2022, and before September 1, 2023, the lesser of:

25 (A) nine percent of the member's annual
26 compensation; or

27 (B) a percentage of the member's annual

1 compensation equal to nine percent reduced by one-tenth of one
2 percent for each one-tenth of one percent that the state
3 contribution rate for the fiscal year to which the service relates
4 is less than the state contribution rate established for the 2015
5 fiscal year;

6 (14) for compensation paid on or after September 1,
7 2023, and before September 1, 2024, the lesser of:

8 (A) 9.25 percent of the member's annual
9 compensation; or

10 (B) a percentage of the member's annual
11 compensation equal to 9.25 percent reduced by one-tenth of one
12 percent for each one-tenth of one percent that the state
13 contribution rate for the fiscal year to which the service relates
14 is less than the state contribution rate established for the 2015
15 fiscal year; and

16 (15) for compensation paid on or after September 1,
17 2024, the lesser of:

18 (A) 9.5 percent of the member's annual
19 compensation; or

20 (B) a percentage of the member's annual
21 compensation equal to 9.5 percent reduced by one-tenth of one
22 percent for each one-tenth of one percent that the state
23 contribution rate for the fiscal year to which the service relates
24 is less than the state contribution rate established for the 2015
25 fiscal year.

26 SECTION 2. Subchapter E, Chapter 825, Government Code, is
27 amended by adding Section 825.4021 to read as follows:

1 (a) All members of the retirement system excluding
2 full-time classroom teachers shall receive successive permanent
3 raises according to the following schedule:

4 (1) 0.55 percent of annual compensation paid on or
5 after September 1, 2019;

6 (2) 0.25 percent of annual compensation paid on or
7 after September 1, 2020;

8 (3) 0.25 percent of annual compensation paid on or
9 after September 1, 2021;

10 (4) 0.25 percent of annual compensation paid on or
11 after September 1, 2022;

12 (5) 0.25 percent of annual compensation paid on or
13 after September 1, 2023; and

14 (6) 0.25 percent of annual compensation paid on or
15 after September 1, 2024.

16 (b) The raises described in Subsection (a) are not
17 considered in determining whether the employer is paying the member
18 the applicable minimum monthly salary as set forth in the Education
19 Code, if any.

20 (c) The state shall increase its annual aid to each employer
21 in an amount sufficient to fund the raises described in Subsection
22 (a).

23 SECTION 3. Section [825.4035](#), Government Code, is amended by
24 adding Subsection (e) to read as follows:

25 (e) The 1.5 percent rate of contribution contained in this
26 section shall increase as follows:

27 (1) beginning with the report month for September

1 2020, the contribution rate shall increase to 1.6 percent;

2 (2) beginning with the report month for September

3 2021, the contribution rate shall increase to 1.7 percent;

4 (3) beginning with the report month for September

5 2022, the contribution rate shall increase to 1.8 percent;

6 (4) beginning with the report month for September

7 2023, the contribution rate shall increase to 1.9 percent; and

8 (5) beginning with the report month for September

9 2024, the contribution rate shall increase to two percent.

10 SECTION 4. Section 825.404(a), Government Code, is amended
11 to read as follows:

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

17 SECTION 5. Section 825.404, Government Code, is amended by
18 adding Subsection (f) to read as follows:

19 (f) The state will make contributions to the retirement
20 system according to the following rates:

21 (1) seven percent beginning on September 1, 2019;

22 (2) 7.2 percent beginning on September 1, 2020;

23 (3) 7.4 percent beginning on September 1, 2021;

24 (4) 7.6 percent beginning on September 1, 2022;

25 (5) 7.8 percent beginning on September 1, 2023; and

26 (6) eight percent beginning on September 1, 2024.

27 SECTION 6. This Act takes effect September 1, 2019.