87R4807 BDP-D

By:  Allen H.B. No. 1846

A BILL TO BE ENTITLED

AN ACT

relating to benefits paid by the Teacher Retirement System of Texas.

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

SECTION 1.  Subchapter H, Chapter 824, Government Code, is amended by adding Sections 824.7015 and 824.703 to read as follows:

Sec. 824.7015.  ADJUSTMENT TO BENEFITS. (a) Notwithstanding Section 824.702, the amount of a monthly service retirement benefit, disability retirement benefit, or death benefit paid under this chapter is increased to include a 10 percent adjustment in accordance with this section.

(b)  The board of trustees shall recompute the amount of a benefit paid monthly under this chapter by applying the 10 percent adjustment to the monthly amount otherwise required to be paid as determined in accordance with the other applicable provisions of this chapter and other law.

Sec. 824.703.  ANNUAL ADJUSTMENT FOR COST OF LIVING. (a) Notwithstanding Section 824.702, the amount of a monthly service retirement benefit, disability retirement benefit, or death benefit paid under this chapter is increased to include a four percent annual cost-of-living adjustment in accordance with this section.

(b)  The board of trustees shall recompute the amount of a benefit paid monthly under this chapter by applying the four percent adjustment to the monthly amount otherwise required to be paid as determined in accordance with the other applicable provisions of this chapter.

SECTION 2.  (a)  The Teacher Retirement System of Texas shall make a one-time supplemental payment of a retirement or death benefit, as provided by this section.

(b)  The supplemental payment is payable in January 2022 and, to the extent practicable, on a date or dates that coincide with the regular annuity payment payable to each eligible annuitant.

(c)  The amount of the supplemental payment is equal to the greater of:

(1)  $2,000; or

(2)  the gross amount of the regular annuity payment to which the eligible annuitant is otherwise entitled for the month of December 2021.

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

(e)  Subject to Subsection (f) of this section, to be eligible for the supplemental payment, a person must be, for the month of December 2021, and disregarding any forfeiture of benefits under Section 824.601, Government Code, an annuitant eligible to receive:

(1)  a standard retirement annuity payment;

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

(3)  a life annuity payment under Section 824.402(a)(4), Government Code;

(4)  an annuity for a guaranteed period of 60 months under Section 824.402(a)(3), Government Code; or

(5)  an alternate payee annuity payment under Section 804.005, Government Code.

(f)  If the annuitant is a retiree or a beneficiary under an optional retirement payment plan, to be eligible for the supplemental payment, the effective date of the retirement of the member of the Teacher Retirement System of Texas must have been before September 1, 2020. If the annuitant is a beneficiary under Section 824.402(a)(3) or (4), Government Code, to be eligible for the supplemental payment, the date of death of the member of the retirement system must have been before September 1, 2020. The supplemental payment shall be made to an alternate payee who is an annuitant under Section 804.005, Government Code, only if the annuity payment to the alternate payee commenced before September 1, 2020. The supplemental payment is in addition to the guaranteed number of payments under Section 824.402(a)(3) or 824.204(c)(3) or (4), Government Code, and may not be counted as one of the guaranteed monthly payments.

(g)  The supplemental payment does not apply to payments under:

(1)  Section 824.304(a), Government Code, relating to disability retirees with less than 10 years of service credit;

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

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

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

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

(i)  The Teacher Retirement System of Texas shall pay the supplemental payment made under this section from the retired reserve account and may transfer to that account from the state contribution account any portion of the amount that exceeds the amount in the retired reserve account available to finance the supplemental payment and that is actuarially determined to be necessary to finance the supplemental payment. The supplemental payment under this section must comply with Section 821.006, Government Code.

SECTION 3.  Sections 824.7015 and 824.703, Government Code, as added by this Act, apply only to a monthly benefit payment made by the Teacher Retirement System of Texas on or after September 1, 2021.

SECTION 4.  This Act takes effect September 1, 2021.