

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

1 percent adjustment to the monthly amount otherwise required to be
2 paid as determined in accordance with the other applicable
3 provisions of this chapter.

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

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

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

12 (1) \$2,000; or

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

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

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

1 receive:

2 (1) a standard retirement annuity payment;

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

5 (3) a life annuity payment under Section
6 824.402(a)(4), Government Code;

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

9 (5) an alternate payee annuity payment under Section
10 804.005, Government Code.

11 (f) If the annuitant is a retiree or a beneficiary under an
12 optional retirement payment plan, to be eligible for the
13 supplemental payment, the effective date of the retirement of the
14 member of the Teacher Retirement System of Texas must have been
15 before September 1, 2020. If the annuitant is a beneficiary under
16 Section 824.402(a)(3) or (4), Government Code, to be eligible for
17 the supplemental payment, the date of death of the member of the
18 retirement system must have been before September 1, 2020. The
19 supplemental payment shall be made to an alternate payee who is an
20 annuitant under Section 804.005, Government Code, only if the
21 annuity payment to the alternate payee commenced before September
22 1, 2020. The supplemental payment is in addition to the guaranteed
23 number of payments under Section 824.402(a)(3) or 824.204(c)(3) or
24 (4), Government Code, and may not be counted as one of the
25 guaranteed monthly payments.

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

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

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

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

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

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

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

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

1 2021.

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