

By: Morales Shaw

H.B. No. 3891

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the inclusion of compensation received by teachers  
3 under the teacher allotment incentive in salary and wages under the  
4 Teacher Retirement System of Texas.

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

6 SECTION 1. Section [822.201\(b\)](#), Government Code, is amended  
7 to read as follows:

8 (b) "Salary and wages" as used in Subsection (a) means:

9 (1) normal periodic payments of money for service the  
10 right to which accrues on a regular basis in proportion to the  
11 service performed;

12 (2) amounts by which the member's salary is reduced  
13 under a salary reduction agreement authorized by Chapter [610](#);

14 (3) amounts that would otherwise qualify as salary and  
15 wages under Subdivision (1) but are not received directly by the  
16 member pursuant to a good faith, voluntary written salary reduction  
17 agreement in order to finance payments to a deferred compensation  
18 or tax sheltered annuity program specifically authorized by state  
19 law or to finance benefit options under a cafeteria plan qualifying  
20 under Section 125 of the Internal Revenue Code of 1986, if:

21 (A) the program or benefit options are made  
22 available to all employees of the employer; and

23 (B) the benefit options in the cafeteria plan are  
24 limited to one or more options that provide deferred compensation,

1 group health and disability insurance, group term life insurance,  
2 dependent care assistance programs, or group legal services plans;

3 (4) performance pay awarded to an employee by a school  
4 district as part of a total compensation plan approved by the board  
5 of trustees of the district and meeting the requirements of  
6 Subsection (e);

7 (5) the benefit replacement pay a person earns under  
8 Subchapter H, Chapter 659, except as provided by Subsection (c);

9 (6) stipends paid to teachers in accordance with  
10 former Section 21.410, 21.411, 21.412, or 21.413, Education Code;

11 (7) amounts by which the member's salary is reduced or  
12 that are deducted from the member's salary as authorized by  
13 Subchapter J, Chapter 659;

14 (8) a merit salary increase made under Section 51.962,  
15 Education Code;

16 (9) amounts received under the relevant parts of the  
17 educator excellence awards program under Subchapter O, Chapter 21,  
18 Education Code, or a mentoring program under Section 21.458,  
19 Education Code, that authorize compensation for service;

20 (10) salary amounts designated as health care  
21 supplementation by an employee under Subchapter D, Chapter 22,  
22 Education Code; ~~and~~

23 (11) to the extent required by Sections 3401(h) and  
24 414(u)(12), Internal Revenue Code of 1986, differential wage  
25 payments received by an individual from an employer on or after  
26 January 1, 2009, while the individual is performing qualified  
27 military service as defined by Section 414(u), Internal Revenue

1 Code of 1986; and

2 (12) increased compensation paid to a teacher by a  
3 school district using funds received by the district under the  
4 teacher incentive allotment under Section [48.112](#), Education Code.

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