88R2163 BDP-D

By:  Allison H.B. No. 656

A BILL TO BE ENTITLED

AN ACT

relating to the inclusion of compensation paid under the teacher incentive allotment under the Foundation School Program for purposes of contributions to benefits under the Teacher Retirement System of Texas.

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

SECTION 1.  Section 825.110, Government Code, is amended to read as follows:

Sec. 825.110.  DETERMINATION OF ANNUAL COMPENSATION. (a) The board of trustees shall adopt rules to exclude from annual compensation all or part of salary and wages in the final years of a member's employment that reasonably can be presumed to have been derived from a conversion of fringe benefits, maintenance, or other payments not includable in annual compensation to salary and wages. Except as provided by Subsection (b), the [~~The~~] board of trustees shall adopt rules that include a percentage limitation on the amount of increases in annual compensation that may be subject to credit and deposit during a member's final years of employment.

(b)  The board of trustees may not impose a percentage limitation on the amount of an increase in annual compensation that is attributable to increased compensation paid to a teacher by a school district using funds received by the district using the teacher incentive allotment under Section 48.112, Education Code.

SECTION 2.  This Act takes effect September 1, 2023.