

By: Bucy

H.B. No. 160

A BILL TO BE ENTITLED

1 AN ACT
2 relating to a cost-of-living adjustment applicable to certain
3 benefits paid by the Teacher Retirement System of Texas and a
4 biennial study on providing additional cost-of-living adjustments
5 based on the effects of increased inflation.

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

7 SECTION 1. Subchapter H, Chapter 824, Government Code, is
8 amended by adding Section 824.703 to read as follows:

9 Sec. 824.703. ADDITIONAL COST-OF-LIVING ADJUSTMENT.

10 (a) Notwithstanding Section 824.702 and subject to Section
11 821.006, the retirement system shall make a one-time cost-of-living
12 adjustment payable to annuitants receiving a monthly death or
13 retirement benefit annuity, as provided by this section.

14 (b) Subject to Subsections (c) and (d), to be eligible for
15 the adjustment, a person must be, on the effective date of the
16 adjustment and disregarding any forfeiture of benefits under
17 Section 824.601, an annuitant eligible to receive:

18 (1) a standard service or disability retirement
19 annuity payment;

20 (2) an optional service or disability retirement
21 annuity payment as either a retiree or beneficiary;

22 (3) an annuity payment under Section 824.402(a)(3) or
23 (4);

24 (4) an annuity payment under Section 824.502; or

1 (5) an alternate payee annuity payment under Section
2 804.005.

3 (c) If the annuitant:

4 (1) is a retiree or is a beneficiary under an optional
5 retirement payment plan, to be eligible for the adjustment under
6 this section:

7 (A) the annuitant must be living on the effective
8 date of the adjustment; and

9 (B) the effective date of the retirement of the
10 member of the retirement system must have been on or before August
11 31, 2021;

12 (2) is a beneficiary under Section 824.402(a)(3) or
13 (4) or 824.502, to be eligible for the adjustment:

14 (A) the annuitant must be living on the effective
15 date of the adjustment; and

16 (B) the date of death of the member of the
17 retirement system must have been on or before August 31, 2021; or

18 (3) is an alternate payee under Section 804.005, the
19 annuitant is eligible for the adjustment only if the effective date
20 of the election to receive the annuity payment was on or before
21 August 31, 2021.

22 (d) An adjustment made under this section does not apply to
23 payments under:

24 (1) Section 824.203(d), relating to retirees who
25 receive a standard service retirement annuity in an amount fixed by
26 statute;

27 (2) Section 824.304(a), relating to disability

1 retirees with less than 10 years of service credit;

2 (3) Section 824.304(b)(2), relating to disability
3 retirees who receive a disability annuity in an amount fixed by
4 statute;

5 (4) Section 824.404(a), relating to active member
6 survivor beneficiaries who receive a survivor annuity in an amount
7 fixed by statute;

8 (5) Section 824.501(a), relating to retiree survivor
9 beneficiaries who receive a survivor annuity in an amount fixed by
10 statute; or

11 (6) Section 824.804(b), relating to participants in
12 the deferred retirement option plan with regard to payments from
13 their deferred retirement option plan accounts.

14 (e) An adjustment under this section:

15 (1) must be made beginning with an annuity payable for
16 the month of September 2023; and

17 (2) is limited to an amount equal to 10 percent of the
18 monthly benefit subject to the increase.

19 (f) The board of trustees shall determine the eligibility
20 for and the amount of any adjustment in monthly annuities in
21 accordance with this section.

22 SECTION 2. Subchapter B, Chapter 825, Government Code, is
23 amended by adding Section 825.1085 to read as follows:

24 Sec. 825.1085. BIENNIAL STUDY AND REPORT ON PROVIDING
25 ADDITIONAL COST-OF-LIVING ADJUSTMENTS BASED ON EFFECTS OF
26 INFLATION. Not later than January 1 of each odd-numbered year, the
27 retirement system shall:

1 (1) conduct a study to evaluate and identify the
2 effects, if any, that increased inflation has had on annuitants of
3 the system:

4 (A) during the preceding state fiscal biennium;
5 and

6 (B) if applicable, since annuitants last
7 received a cost-of-living adjustment; and

8 (2) submit a written report to the legislature
9 containing:

10 (A) findings of the study; and

11 (B) if appropriate, recommendations for
12 potential legislation to address any adverse effects of inflation
13 identified under Subdivision (1), including specific
14 recommendations regarding whether and in what amount the
15 legislature would need to provide a cost-of-living adjustment to
16 the benefits of annuitants to remedy those effects.

17 SECTION 3. This Act takes effect immediately if it receives
18 a vote of two-thirds of all the members elected to each house, as
19 provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for immediate effect, this
21 Act takes effect September 1, 2023.