

By: Huffman, et al.

S.B. No. 10

A BILL TO BE ENTITLED

AN ACT

relating to certain 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 Section 824.703 to read as follows:

Sec. 824.703. COST-OF-LIVING ADJUSTMENT: SEPTEMBER 2023.

(a) The retirement system shall make an additional one-time cost-of-living adjustment payable to annuitants receiving a monthly death or retirement benefit annuity, as provided by this section.

(b) Subject to Subsection (c) and except as provided by Subsection (d), to be eligible for the adjustment, a person must be, on the effective date of the adjustment and disregarding any forfeiture of benefits under Section 824.601, an annuitant eligible to receive:

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

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

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

(4) an annuity payment under Section 824.502; or

(5) an alternate payee annuity payment under Section

1 804.005.

2 (c) If the annuitant:

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

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

8 (B) the effective date of the retirement of the  
9 member of the retirement system on whose service the annuity is  
10 based must have been on or before December 31, 2021;

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

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

15 (B) the date of death of the member of the  
16 retirement system on whose service the annuity is based must have  
17 been on or before December 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 December 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 must be made beginning  
15 with an annuity payable for the month of September 2023.

16 (f) The amount of the adjustment provided under this section  
17 is calculated by multiplying the amount of the monthly benefit  
18 subject to the adjustment by the following percentage rate, as  
19 applicable:

20 (1) for annuitants described by Subsection (c)(1):

21 (A) if the retiree's effective date of retirement  
22 was before September 1, 2013, four percent; and

23 (B) if the retiree's effective date of retirement  
24 was on or after September 1, 2013, but before January 1, 2022, two  
25 percent;

26 (2) for annuitants described by Subsection (c)(2):

27 (A) if the member's date of death was before

September 1, 2013, four percent; and

(B) if the member's date of death was on or after  
September 1, 2013, but before January 1, 2022, two percent; and

(3) for annuitants described by Subsection (c)(3):

(A) if the annuitant's date of election was  
before September 1, 2013, four percent; and

(B) if the annuitant's date of election was on or  
after September 1, 2013, but before January 1, 2022, two percent.

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

SECTION 2. (a) Subject to Subsections (e) and (i) of this section and Section 821.006, Government Code, and except as provided by Subsection (g) of this section, 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 not later than February 2024 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 \$7,500.

(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

1 this section is in addition to and not in lieu of the regular  
2 monthly annuity payment to which the eligible annuitant is  
3 otherwise entitled.

4 (e) To be eligible for the supplemental payment, a person  
5 must be, for the calendar month immediately prior to the calendar  
6 month in which the Teacher Retirement System of Texas issues the  
7 one-time supplemental payment in accordance with Subsection (b) of  
8 this section, an annuitant who is:

9 (1) at least 75 years of age; and

10 (2) eligible to receive:

11 (A) a standard retirement annuity payment;

12 (B) an optional retirement annuity payment as  
13 either a retiree or beneficiary;

14 (C) a life annuity payment under Section  
15 [824.402\(a\)\(4\)](#), Government Code;

16 (D) an annuity for a guaranteed period of 60  
17 months under Section [824.402\(a\)\(3\)](#), Government Code; or

18 (E) an alternate payee annuity payment under  
19 Section [804.005](#), Government Code.

20 (f) The supplemental payment is in addition to the  
21 guaranteed number of payments under Section [824.204\(c\)\(3\)](#) or (4),  
22 Section [824.308\(c\)\(3\)](#) or (4), or Section [824.402\(a\)\(3\)](#), Government  
23 Code, and may not be counted as one of the guaranteed monthly  
24 payments.

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

27 (1) Section [824.304\(a\)](#), Government Code, relating to

1 disability retirees with less than 10 years of service credit;

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

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

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

11 (h) The board of trustees of the Teacher Retirement System  
12 of Texas shall determine the eligibility for and the amount and  
13 timing of a supplemental payment and the manner in which the payment  
14 is made.

15 (i) The Teacher Retirement System of Texas is required to  
16 make a one-time supplemental payment of benefits under this section  
17 only if the board of trustees of the Teacher Retirement System of  
18 Texas finds that the legislature appropriated money to the  
19 retirement system in an amount sufficient to provide the  
20 supplemental payment. The amount appropriated by the legislature  
21 to provide the supplemental payment must be in addition to the  
22 amount the state is required to contribute to the retirement system  
23 under Section 825.404, Government Code.

24 (j) If the board of trustees of the Teacher Retirement  
25 System of Texas determines that the appropriation provided by the  
26 legislature for the one-time supplemental payment of benefits under  
27 this section is different from the amount required to issue the

1 supplemental payment, the comptroller, after the end of the fiscal  
2 year, shall make adjustments in the teacher retirement fund and the  
3 general revenue fund so that the total transfers during the year  
4 equal the total amount of the funds required for the supplemental  
5 payment. This transfer of funds is in addition to and separate from  
6 the amount the state is required to contribute to the retirement  
7 system under Section 825.404, Government Code.

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