

By: Huffman, et al.

S.B. No. 10

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 Section 824.704 to read as follows:

Sec. 824.704. COST-OF-LIVING ADJUSTMENT. (a) The retirement system shall make a 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 Subsections (c) and (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 804.005.

(c) If the annuitant:

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

4 (A) the annuitant must be living on the effective
5 date of the adjustment; and

6 (B) the effective date of the retirement of the
7 member of the Teacher Retirement System of Texas must have been on
8 or before December 31, 2021;

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

11 (A) the annuitant must be living on the effective
12 date of the adjustment; and

13 (B) the date of death of the member of the
14 retirement system must have been on or before December 31, 2021; or

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

19 (d) An adjustment made under this section does not apply to
20 payments under:

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

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

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

1 statute;

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

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

8 (6) Section 824.804(b), relating to participants in
9 the deferred retirement option plan with regard to payments from
10 their deferred retirement option plan accounts.

11 (e) An adjustment under this section must be made beginning
12 with an annuity payable for the month of September 2023.

13 (f) The amount of the adjustment provided under this section
14 is calculated by multiplying the amount of the first monthly
15 benefit subject to the adjustment by a percentage determined as
16 follows:

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

18 (A) if the retiree's effective date of retirement
19 was before September 1, 2013, an adjustment of four percent; and

20 (B) if the retiree's effective date of retirement
21 was on or after September 1, 2013, but before January 1, 2022 an
22 adjustment of two percent;

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

24 (A) if the member's date of death was before
25 September 1, 2013, an adjustment of four percent; and

26 (B) if the member's date of death was on or after
27 September 1, 2013, but before January 1, 2022, an adjustment of two

1 percent; and

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

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

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

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

11 SECTION 2. (a) Subject to Subsection (i) of this section
12 and Section 821.006, Government Code, the Teacher Retirement System
13 of Texas shall make a one-time supplemental payment of a retirement
14 or death benefit, as provided by this section.

15 (b) The supplemental payment is payable not later than
16 February 2024 and, to the extent practicable, on a date or dates
17 that coincide with the regular annuity payment payable to each
18 eligible annuitant.

19 (c) The amount of the supplemental payment is \$7,500.

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

1 (e) Subject to Subsection (f) of this section, to be
2 eligible for the supplemental payment, a person must be, for the
3 calendar month immediately prior to the calendar month in which the
4 Teacher Retirement System of Texas issues the one-time supplemental
5 payment in accordance with Subsection (b) of this section, and
6 disregarding any forfeiture of benefits under Section 824.601,
7 Government Code, an annuitant who is at least 75 years of age and
8 eligible to receive:

9 (1) a standard retirement annuity payment;

10 (2) an optional retirement annuity payment as either a
11 retiree or beneficiary;

12 (3) a life annuity payment under Section
13 824.402(a)(4), Government Code;

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

16 (5) an alternate payee annuity payment under Section
17 804.005, Government Code.

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

23 (g) The supplemental payment does not apply to payments
24 under:

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

27 (2) Section 824.804(b), Government Code, relating to

1 participants in the deferred retirement option plan with regard to
2 payments from their deferred retirement option plan accounts;

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

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

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

13 (i) The Teacher Retirement System of Texas is required to
14 make a one-time supplemental payment of benefits under this section
15 only if the board of trustees of the Teacher Retirement System of
16 Texas finds that the legislature appropriated money to the
17 retirement system in an amount sufficient to provide the
18 payment. The amount appropriated by the legislature to provide the
19 payment must be in addition to the amount the state is required to
20 contribute to the retirement system under Section 825.404,
21 Government Code. If the board of trustees of the Teacher Retirement
22 System of Texas finds that the retirement system did not receive the
23 full amount appropriated by the legislature to provide a one-time
24 supplemental payment of benefits under this section, the retirement
25 system may not make the payment.

26 (j) If the board of trustees of the Teacher Retirement
27 System determines that the appropriation provided by the

1 legislature for the one-time supplemental payment of benefits is
2 different from the amount required to issue the one-time
3 supplemental payment of benefits under this section, the
4 comptroller, after the end of the fiscal year, shall make
5 adjustments in the teacher retirement fund and the general revenue
6 fund so that the total transfers during the year equal the total
7 amount of the funds required for the one-time supplemental payment
8 of benefits. This transfer of funds is in addition to and separate
9 from the amount the state is required to contribute to the
10 retirement system under Section [825.404](#), Government Code.

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