

1-1 By: Huffman, et al. S.B. No. 10
 1-2 (In the Senate - Filed March 10, 2023; March 13, 2023, read
 1-3 first time and referred to Committee on Finance; March 27, 2023,
 1-4 reported adversely, with favorable Committee Substitute by the
 1-5 following vote: Yeas 17, Nays 0; March 27, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7	X			
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			
1-23	X			
1-24	X			

1-25 COMMITTEE SUBSTITUTE FOR S.B. No. 10 By: Nichols

1-26 A BILL TO BE ENTITLED
 1-27 AN ACT

1-28 relating to certain benefits paid by the Teacher Retirement System
 1-29 of Texas.

1-30 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-31 SECTION 1. Subchapter H, Chapter 824, Government Code, is
 1-32 amended by adding Section 824.703 to read as follows:

1-33 Sec. 824.703. COST-OF-LIVING ADJUSTMENT: SEPTEMBER 2023.

1-34 (a) The retirement system shall make an additional one-time
 1-35 cost-of-living adjustment payable to annuitants receiving a
 1-36 monthly death or retirement benefit annuity, as provided by this
 1-37 section.

1-38 (b) Subject to Subsection (c) and except as provided by
 1-39 Subsection (d), to be eligible for the adjustment, a person must be,
 1-40 on the effective date of the adjustment and disregarding any
 1-41 forfeiture of benefits under Section 824.601, an annuitant eligible
 1-42 to receive:

1-43 (1) a standard service or disability retirement
 1-44 annuity payment;

1-45 (2) an optional service or disability retirement
 1-46 annuity payment as either a retiree or beneficiary;

1-47 (3) an annuity payment under Section 824.402(a)(3) or
 1-48 (4);

1-49 (4) an annuity payment under Section 824.502; or

1-50 (5) an alternate payee annuity payment under Section
 1-51 804.005.

1-52 (c) If the annuitant:

1-53 (1) is a retiree, or is a beneficiary under an optional
 1-54 service or disability retirement payment plan, to be eligible for
 1-55 the adjustment under this section:

1-56 (A) the annuitant must be living on the effective
 1-57 date of the adjustment; and

1-58 (B) the effective date of the retirement of the
 1-59 member of the retirement system on whose service the annuity is
 1-60 based must have been on or before December 31, 2021;

1-61 (2) is a beneficiary under Section 824.402(a)(3) or
 1-62 (4) or 824.502, to be eligible for the adjustment:

2-1 (A) the annuitant must be living on the effective
2-2 date of the adjustment; and

2-3 (B) the date of death of the member of the
2-4 retirement system on whose service the annuity is based must have
2-5 been on or before December 31, 2021; or

2-6 (3) is an alternate payee under Section 804.005, the
2-7 annuitant is eligible for the adjustment only if the effective date
2-8 of the election to receive the annuity payment was on or before
2-9 December 31, 2021.

2-10 (d) An adjustment made under this section does not apply to
2-11 payments under:

2-12 (1) Section 824.203(d), relating to retirees who
2-13 receive a standard service retirement annuity in an amount fixed by
2-14 statute;

2-15 (2) Section 824.304(a), relating to disability
2-16 retirees with less than 10 years of service credit;

2-17 (3) Section 824.304(b)(2), relating to disability
2-18 retirees who receive a disability annuity in an amount fixed by
2-19 statute;

2-20 (4) Section 824.404(a), relating to active member
2-21 survivor beneficiaries who receive a survivor annuity in an amount
2-22 fixed by statute;

2-23 (5) Section 824.501(a), relating to retiree survivor
2-24 beneficiaries who receive a survivor annuity in an amount fixed by
2-25 statute; or

2-26 (6) Section 824.804(b), relating to participants in
2-27 the deferred retirement option plan with regard to payments from
2-28 their deferred retirement option plan accounts.

2-29 (e) An adjustment under this section must be made beginning
2-30 with an annuity payable for the month of September 2023.

2-31 (f) The amount of the adjustment provided under this section
2-32 is calculated by multiplying the amount of the monthly benefit
2-33 subject to the adjustment by the following percentage rate, as
2-34 applicable:

2-35 (1) for annuitants described by Subsection (c)(1):
2-36 (A) if the retiree's effective date of retirement
2-37 was before September 1, 2013, four percent; and

2-38 (B) if the retiree's effective date of retirement
2-39 was on or after September 1, 2013, but before January 1, 2022, two
2-40 percent;

2-41 (2) for annuitants described by Subsection (c)(2):
2-42 (A) if the member's date of death was before
2-43 September 1, 2013, four percent; and

2-44 (B) if the member's date of death was on or after
2-45 September 1, 2013, but before January 1, 2022, two percent; and

2-46 (3) for annuitants described by Subsection (c)(3):
2-47 (A) if the annuitant's date of election was
2-48 before September 1, 2013, four percent; and

2-49 (B) if the annuitant's date of election was on or
2-50 after September 1, 2013, but before January 1, 2022, two percent.

2-51 (g) The board of trustees shall determine the eligibility
2-52 for and the amount of any adjustment in monthly annuities in
2-53 accordance with this section.

2-54 SECTION 2. (a) Subject to Subsections (e) and (i) of this
2-55 section and Section 821.006, Government Code, and except as
2-56 provided by Subsection (g) of this section, the Teacher Retirement
2-57 System of Texas shall make a one-time supplemental payment of a
2-58 retirement or death benefit, as provided by this section.

2-59 (b) The supplemental payment is payable not later than
2-60 February 2024 and, to the extent practicable, on a date or dates
2-61 that coincide with the regular annuity payment payable to each
2-62 eligible annuitant.

2-63 (c) The amount of the supplemental payment is equal to
2-64 \$7,500.

2-65 (d) The supplemental payment is payable without regard to
2-66 any forfeiture of benefits under Section 824.601, Government Code.
2-67 The Teacher Retirement System of Texas shall make applicable tax
2-68 withholding and other legally required deductions before
2-69 disbursing the supplemental payment. A supplemental payment under
2-70 this section is in addition to and not in lieu of the regular
2-71 monthly annuity payment to which the eligible annuitant is

3-1 otherwise entitled.

3-2 (e) To be eligible for the supplemental payment, a person

3-3 must be, for the calendar month immediately prior to the calendar

3-4 month in which the Teacher Retirement System of Texas issues the

3-5 one-time supplemental payment in accordance with Subsection (b) of

3-6 this section, an annuitant who is:

3-7 (1) at least 75 years of age; and

3-8 (2) eligible to receive:

3-9 (A) a standard retirement annuity payment;

3-10 (B) an optional retirement annuity payment as

3-11 either a retiree or beneficiary;

3-12 (C) a life annuity payment under Section

3-13 824.402(a)(4), Government Code;

3-14 (D) an annuity for a guaranteed period of 60

3-15 months under Section 824.402(a)(3), Government Code; or

3-16 (E) an alternate payee annuity payment under

3-17 Section 804.005, Government Code.

3-18 (f) The supplemental payment is in addition to the

3-19 guaranteed number of payments under Section 824.204(c)(3) or (4),

3-20 Section 824.308(c)(3) or (4), or Section 824.402(a)(3), Government

3-21 Code, and may not be counted as one of the guaranteed monthly

3-22 payments.

3-23 (g) The supplemental payment does not apply to payments

3-24 under:

3-25 (1) Section 824.304(a), Government Code, relating to

3-26 disability retirees with less than 10 years of service credit;

3-27 (2) Section 824.804(b), Government Code, relating to

3-28 participants in the deferred retirement option plan with regard to

3-29 payments from their deferred retirement option plan accounts;

3-30 (3) Section 824.501(a), Government Code, relating to

3-31 retiree survivor beneficiaries who receive a survivor annuity in an

3-32 amount fixed by statute; or

3-33 (4) Section 824.404(a), Government Code, relating to

3-34 active member survivor beneficiaries who receive a survivor annuity

3-35 in an amount fixed by statute.

3-36 (h) The board of trustees of the Teacher Retirement System

3-37 of Texas shall determine the eligibility for and the amount and

3-38 timing of a supplemental payment and the manner in which the payment

3-39 is made.

3-40 (i) The Teacher Retirement System of Texas is required to

3-41 make a one-time supplemental payment of benefits under this section

3-42 only if the board of trustees of the Teacher Retirement System of

3-43 Texas finds that the legislature appropriated money to the

3-44 retirement system in an amount sufficient to provide the

3-45 supplemental payment. The amount appropriated by the legislature

3-46 to provide the supplemental payment must be in addition to the

3-47 amount the state is required to contribute to the retirement system

3-48 under Section 825.404, Government Code.

3-49 (j) If the board of trustees of the Teacher Retirement

3-50 System of Texas determines that the appropriation provided by the

3-51 legislature for the one-time supplemental payment of benefits under

3-52 this section is different from the amount required to issue the

3-53 supplemental payment, the comptroller, after the end of the fiscal

3-54 year, shall make adjustments in the teacher retirement fund and the

3-55 general revenue fund so that the total transfers during the year

3-56 equal the total amount of the funds required for the supplemental

3-57 payment. This transfer of funds is in addition to and separate from

3-58 the amount the state is required to contribute to the retirement

3-59 system under Section 825.404, Government Code.

3-60 SECTION 3. This Act takes effect immediately if it receives

3-61 a vote of two-thirds of all the members elected to each house, as

3-62 provided by Section 39, Article III, Texas Constitution. If this

3-63 Act does not receive the vote necessary for immediate effect, this

3-64 Act takes effect September 1, 2023.

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