

By: Allen

H.B. No. 2554

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the payment of certain employer contributions for  
3 employed retirees of the Teacher Retirement System of Texas.

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

5 SECTION 1. Section [825.4092](#), Government Code, is amended by  
6 amending Subsections (b) and (c) and adding Subsection (h) to read  
7 as follows:

8 (b) Except as provided by Subsections [~~Subsection~~] (e) and  
9 (h), during each payroll period for which a retiree is reported, the  
10 employer shall contribute to the retirement system for each retiree  
11 reported an amount based on the retiree's salary equal to the sum  
12 of:

13 (1) the current contribution amount that would be  
14 contributed by the retiree if the retiree were an active,  
15 contributing member; and

16 (2) the current contribution amount authorized by the  
17 General Appropriations Act that the state would contribute for that  
18 retiree if the retiree were an active, contributing member.

19 (c) Except as provided by Subsections [~~Subsection~~] (e) and  
20 (h), each payroll period, for each retiree who is enrolled in the  
21 Texas Public School Employees Group Insurance Program under Chapter  
22 [1575](#), Insurance Code, the employer who reports the employment of a  
23 retiree shall contribute to the trust fund established under that  
24 chapter an amount established by the retirement system. In

1 determining the amount to be contributed by the employer under this  
2 subsection, the retirement system shall consider the amount a  
3 retiree is required to pay for the retiree and any enrolled  
4 dependents to participate in the group program and the cost of the  
5 retiree's and enrolled dependents' participation in the group  
6 program. If more than one employer reports the retiree to the  
7 retirement system during a month, the amount of the required  
8 payment shall be prorated among the employers.

9 (h) Notwithstanding Section 821.006, the retirement system  
10 may waive all or part of the amounts required to be contributed  
11 under Subsection (b) or (c), or both subsections, for one or more  
12 fiscal years. An employer is not required to pay any amount waived  
13 by the retirement system under this subsection.

14 SECTION 2. The changes in law made by this Act apply  
15 beginning with the 2025-2026 school year.

16 SECTION 3. This Act takes effect immediately if it receives  
17 a vote of two-thirds of all the members elected to each house, as  
18 provided by Section 39, Article III, Texas Constitution. If this  
19 Act does not receive the vote necessary for immediate effect, this  
20 Act takes effect September 1, 2025.