

By: Hayes

H.B. No. 5171

A BILL TO BE ENTITLED

AN ACT

1
2 relating to providing a one-time supplemental payment and an annual
3 cost-of-living adjustment applicable to certain benefits paid by
4 the Judicial Retirement System of Texas Plan One and Judicial
5 Retirement System of Texas Plan Two.

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

7 SECTION 1. Chapter 834, Government Code, is amended by
8 adding Subchapter E to read as follows:

9 SUBCHAPTER E. INCREASES IN BENEFITS

10 Sec. 834.401. ANNUAL COST-OF-LIVING ADJUSTMENT. (a) The
11 amount of a service retirement, disability retirement, or death
12 benefit paid under this chapter to an annuitant based on service
13 credited in the retirement system is increased to include a three
14 percent annual cost-of-living adjustment in accordance with this
15 section.

16 (b) On September 1 of each year beginning September 2026,
17 the board of trustees shall recompute the amount of a benefit paid
18 monthly under this chapter by applying the three percent adjustment
19 to the monthly amount otherwise required to be paid as determined in
20 accordance with this chapter.

21 SECTION 2. Subchapter E, Chapter 839, Government Code, is
22 amended by adding Section 839.402 to read as follows:

23 Sec. 839.402. ANNUAL COST-OF-LIVING ADJUSTMENT. (a) The
24 amount of a service retirement, disability retirement, or death

1 benefit paid under this chapter to an annuitant based on service
2 credited in the retirement system is increased to include a three
3 percent annual cost-of-living adjustment in accordance with this
4 section.

5 (b) On September 1 of each year beginning September 2026,
6 the board of trustees shall recompute the amount of a benefit paid
7 monthly under this chapter by applying the three percent adjustment
8 to the monthly amount otherwise required to be paid as determined in
9 accordance with this chapter.

10 SECTION 3. (a) The Employees Retirement System of Texas
11 shall make a one-time supplemental payment of a service retirement,
12 disability retirement, or death benefit to each annuitant of the
13 Judicial Retirement System of Texas Plan One and the Judicial
14 Retirement System of Texas Plan Two as provided by this section.

15 (b) The supplemental payment is payable in September 2025
16 and, to the extent practicable, on a date or dates that coincide
17 with the regular annuity payment payable to each eligible
18 annuitant.

19 (c) The amount of the supplemental payment is equal to the
20 gross amount of the regular annuity payment to which the eligible
21 annuitant is otherwise entitled for the month of August 2025.

22 (d) The Employees Retirement System of Texas shall make
23 applicable tax withholding and other legally required deductions
24 before disbursing the supplemental payment. A supplemental payment
25 under this section is in addition to the regular monthly annuity
26 payment to which the eligible annuitant is otherwise entitled.

27 (e) To be eligible for the supplemental payment, a person

1 must be, for the month of August 2025, an annuitant eligible to
2 receive based on service credited in the Judicial Retirement System
3 of Texas Plan One or the Judicial Retirement System of Texas Plan
4 Two, any of the following benefits under Chapter 834 or 839,
5 Government Code:

6 (1) a standard retirement annuity payment;

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

9 (3) a disability retirement annuity payment; or

10 (4) a death benefit annuity payment.

11 (f) The supplemental payment is in addition to the
12 guaranteed number of payments under Section 814.108, Government
13 Code, and may not be counted as one of the guaranteed monthly
14 payments.

15 (g) Except as provided by this section, the board of
16 trustees of the Employees Retirement System of Texas shall
17 determine the eligibility for and the amount and timing of a
18 supplemental payment and the manner in which the payment is made.

19 SECTION 4. The Employees Retirement System of Texas is
20 required to make a cost-of-living adjustment under Section 834.401
21 or 839.402, Government Code, as added by this Act, or a one-time
22 supplemental payment of benefits under Section 3 of this Act only if
23 the board of trustees of the Employees Retirement System of Texas
24 finds that the legislature appropriated money to the Judicial
25 Retirement System of Texas Plan One and the Judicial Retirement
26 System of Texas Plan Two in an amount sufficient to provide the
27 adjustment or payment without increasing the unfunded actuarial

1 liabilities of the retirement system. The amount appropriated by
2 the legislature to provide the adjustment or payment must be in
3 addition to any amounts the state is required to contribute to the
4 retirement system under Subchapter B, Chapter 835, or Subchapter B,
5 Chapter 840, Government Code. If the board of trustees of the
6 Employees Retirement System of Texas finds that the legislature did
7 not appropriate money in an amount sufficient to provide the
8 cost-of-living adjustment or one-time supplemental payment without
9 increasing the unfunded actuarial liabilities of the retirement
10 system, the retirement system may not make the adjustment or
11 payment.

12 SECTION 5. This Act takes effect September 1, 2025.