

By: Keffer

H.B. No. 1967

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to a supplemental payment for retirees of the Teacher  
3 Retirement System of Texas and the unfunded actuarial liabilities  
4 allowed under that system.

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

6 SECTION 1. Section 821.006, Government Code, is amended by  
7 adding Subsections (c), (d), and (e) to read as follows:

8 (c) Notwithstanding Subsections (a) and (b), the retirement  
9 system may provide a one-time supplemental payment to an annuitant  
10 eligible to receive:

11 (1) a standard retirement annuity payment;

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

14 (3) a life annuity payment under Section  
15 824.402(a)(4);

16 (4) an annuity for a guaranteed period of 60 months  
17 under Section 824.402(a)(3); or

18 (5) an alternate payee annuity payment under Section  
19 804.005.

20 (d) A one-time supplemental payment under Subsection (c) is  
21 authorized if the amortization period for the unfunded actuarial  
22 liabilities of the retirement system does not exceed 30 years by one  
23 or more years after payment of the supplemental payment.

24 (e) The retirement system may make a supplemental payment

1 under Subsection (c) at any time during the period beginning  
2 September 1 and ending December 31 only on a finding by the board of  
3 trustees that, as determined by an actuarial valuation made August  
4 31 of that year, the payment can be made in conformance with the  
5 requirements of Subsection (d). Subsections (c) and (d) and this  
6 subsection expire January 1, 2017.

7 SECTION 2. (a) The Teacher Retirement System of Texas shall  
8 make a one-time supplemental payment of a retirement or death  
9 benefit, as provided by Section 821.006, Government Code, as  
10 amended by this Act, and this section.

11 (b) The supplemental payment is payable not later than  
12 December 31, 2016, and, to the extent practicable, on a date or  
13 dates that coincide with the regular annuity payment payable to  
14 each eligible annuitant.

15 (c) The amount of the supplemental payment is equal to the  
16 lesser of:

17 (1) the gross amount of the regular annuity payment to  
18 which the eligible annuitant is otherwise entitled for the month of  
19 August 2015; or

20 (2) \$2,400.

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

1 otherwise entitled.

2 (e) Subject to Subsection (f) of this section, to be  
3 eligible for the supplemental payment, a person must be, for the  
4 month of August 2015, and disregarding any forfeiture of benefits  
5 under Section 824.601, Government Code, an annuitant eligible to  
6 receive:

7 (1) a standard retirement annuity payment;

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

10 (3) a life annuity payment under Section  
11 824.402(a)(4), Government Code;

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

14 (5) an alternate payee annuity payment under Section  
15 804.005, Government Code.

16 (f) If the annuitant is a retiree or a beneficiary under an  
17 optional retirement payment plan, to be eligible for the  
18 supplemental payment, the effective date of the retirement of the  
19 member of the Teacher Retirement System of Texas must have been on  
20 or before August 31, 2013. If the annuitant is a beneficiary under  
21 Section 824.402(a)(3) or (4), Government Code, to be eligible for  
22 the supplemental payment, the date of death of the member of the  
23 retirement system must have been on or before August 31, 2013. The  
24 supplemental payment shall be made to an alternate payee who is an  
25 annuitant under Section 804.005, Government Code, only if the  
26 annuity payment to the alternate payee commenced on or before  
27 August 31, 2013. The supplemental payment is in addition to the

1 guaranteed number of payments under Section 824.402(a)(3),  
2 824.204(c)(3) or (4), or 824.308(c)(3) or (4), Government Code, and  
3 may not be counted as one of the guaranteed monthly payments.

4 (g) The supplemental payment does not apply to payments  
5 under:

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

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

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

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

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

21 SECTION 3. This Act takes effect September 1, 2015.