

Amend CSSB 1 (house committee printing) by adding the following appropriately numbered article to the bill and renumbering subsequent articles and sections of those articles accordingly:

ARTICLE \_\_\_\_\_. TEACHER RETIREMENT SYSTEM OF TEXAS: SUPPLEMENTAL  
PAYMENT

SECTION \_\_\_\_\_.01. This article is not intended to supplant the power or discretion of the legislature to provide supplemental payments to annuitants of the Teacher Retirement System of Texas. This article provides an additional tool by which the legislature, in enacting this law, may provide those annuitants with a much-needed one-time supplemental payment without requesting additional funds from general revenue.

SECTION \_\_\_\_\_.02. Section 821.006, Government Code, is amended by adding Subsections (c), (d), and (e) to read as follows:

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

(1) a standard retirement annuity payment;

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

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

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

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

(d) A one-time supplemental payment under Subsection (c) is authorized, even if the amortization period for the unfunded actuarial liabilities of the retirement system exceeds 30 years by one or more years, only if the board of trustees determines that at the time of the supplemental payment the payment can be made while preserving the ability of the retirement system to meet at least 80 percent of the system's pension obligations.

(e) The funding for a one-time supplemental payment under Subsection (c) must come from the earnings the retirement system makes on its investments as provided by this subsection. The

supplemental payment may be made at any time during the period beginning October 1, 2011, and ending December 31, 2013, only if, during the preceding fiscal year, the return on investments, as provided by the actuarial valuation on August 31 of that year, exceeds eight percent by an amount sufficient to pay for the supplemental payment. Subsections (c) and (d) and this subsection expire January 1, 2014.

SECTION \_\_\_\_\_.03. Section 825.402, Government Code, is amended by adding Subsection (c-1) to read as follows:

(c-1) Subsection (c) does not apply to a supplemental payment authorized by Sections 821.006(c), (d), and (e). This subsection expires January 1, 2014.

SECTION \_\_\_\_\_.04. (a) The Teacher Retirement System of Texas shall make a one-time supplemental payment of a retirement or death benefit, as provided by Section 821.006, Government Code, as amended by this article, and this section.

(b) The supplemental payment is payable not later than December 31, 2013, and, to the extent practicable, on a date or dates that coincide with the regular annuity payment payable to each eligible annuitant.

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

(1) the gross amount of the regular annuity payment to which the eligible annuitant is otherwise entitled for the month of August 2011; or

(2) \$2,400.

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

(e) Subject to Subsection (f) of this section, to be eligible for the supplemental payment, a person must be, for the month of August 2011, and disregarding any forfeiture of benefits

under Section 824.601, Government Code, an annuitant eligible to receive:

- (1) a standard retirement annuity payment;
- (2) an optional retirement annuity payment as either a retiree or beneficiary;
- (3) a life annuity payment under Section 824.402(a)(4), Government Code;
- (4) an annuity for a guaranteed period of 60 months under Section 824.402(a)(3), Government Code; or
- (5) an alternate payee annuity payment under Section 804.005, Government Code.

(f) If the annuitant is a retiree or a beneficiary under an optional retirement payment plan, to be eligible for the supplemental payment, the effective date of the retirement of the member of the Teacher Retirement System of Texas must have been on or before December 31, 2008. If the annuitant is a beneficiary under Section 824.402(a)(3) or (4), Government Code, to be eligible for the supplemental payment, the date of death of the member of the retirement system must have been on or before December 31, 2008. The supplemental payment shall be made to an alternate payee who is an annuitant under Section 804.005, Government Code, only if the annuity payment to the alternate payee commenced on or before December 31, 2008. The supplemental payment is in addition to the guaranteed number of payments under Section 824.402(a)(3), 824.204(c)(3) or (4), or 824.308(c)(3) or (4), Government Code, and may not be counted as one of the guaranteed monthly payments.

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

- (1) Section 824.304(a), Government Code, relating to disability retirees with less than 10 years of service credit;
- (2) Section 824.804(b), Government Code, relating to participants in the deferred retirement option plan with regard to payments from their deferred retirement option plan accounts;
- (3) Section 824.501(a), Government Code, relating to retiree survivor beneficiaries who receive a survivor annuity in an amount fixed by statute; or
- (4) Section 824.404(a), Government Code, relating to

active member survivor beneficiaries who receive a survivor annuity in an amount fixed by statute.

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

SECTION \_\_\_\_\_.05. This article takes effect October 1, 2011.