

CHAPTER 413

H.B. No. 2623

AN ACT

relating to the rate of state contributions to, and an increase in benefits for certain annuitants of, the Teacher Retirement System of Texas.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Monthly payments of a retirement or death benefit annuity by the Teacher Retirement System of Texas are increased if the date of retirement or death of

the person on whose account the benefit is based occurred before September 1, 1984. The increase provided by this Act does not apply to a survivor benefit or to a disability benefit for a person who had less than 10 years of service credit in the retirement system at the time of retirement. The amount of the increase is:

- (1) 20 percent if the date of retirement, or date of death in the case of death benefit annuities, occurred before September 1, 1966;
- (2) 15 percent if the date of retirement, or date of death in the case of death benefit annuities, occurred after August 31, 1966, but before September 1, 1972;
- (3) 10 percent if the date of retirement, or date of death in the case of death benefit annuities, occurred after August 31, 1972, but before September 1, 1980; and
- (4) five percent if the date of retirement, or date of death in the case of death benefit annuities, occurred after August 31, 1980, but before September 1, 1984.

SECTION 2. Before the first payment of benefits as increased by this Act, the Teacher Retirement System of Texas shall transfer from the state contribution account to the retired reserve account the amount determined by the actuary of the retirement system to be necessary to finance the increase in benefits provided by this Act for the duration of the benefits.

SECTION 3. The increase provided by Section 1 of this Act begins with the payment due at the end of August 1987.

SECTION 4. Section 34.402(a), Title 110B, Revised Statutes, is amended to read as follows:

(a) Except as provided by Section 34.401 of this subtitle, the designated beneficiary of a member who dies during a school year in which the member has performed service is eligible to receive at the beneficiary's election the greatest of the following amounts:

- (1) an amount equal to *twice* the member's annual compensation for the school year immediately preceding the school year in which the member dies, or \$60,000 [~~\$25,000~~], whichever is less;
- (2) an amount equal to *twice* the member's rate of annual compensation for the school year in which the member dies, or \$60,000 [~~\$25,000~~], whichever is less;
- (3) 60 monthly payments of a standard service retirement annuity, computed as provided by Section 34.203(a) of this subtitle;
- (4) an optional retirement annuity for the designated beneficiary's life in an amount computed as provided by Section 34.204(c)(1) of this subtitle as if the member had retired on the last day of the month immediately preceding the month in which the member dies; or
- (5) an amount equal to the amount of accumulated contributions in the member's individual account in the member savings account.

SECTION 5. (a) Notwithstanding Section 35.404, Title 110B, Revised Statutes, for the period beginning September 1, 1987, and ending August 31, 1989, the rate of contributions under that section to the Teacher Retirement System of Texas shall be 7.2 percent of the aggregate annual compensation and shall revert to eight percent on September 1, 1989.

(b) Notwithstanding Section 35.405, Title 110B, Revised Statutes, for the period beginning September 1, 1987, and ending August 31, 1989, the rate of contributions for which an employer must seek federal funds under that section shall be 7.2 percent of employee compensation and shall revert to eight percent on September 1, 1989.

SECTION 6. Sections 4 and 5 of this Act take effect September 1, 1987.

SECTION 7. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on May 29, 1987, by a non-record vote. Passed by the Senate on May 31, 1987, by a viva-voce vote.

Approved June 17, 1987.

Effective Aug. 31, 1987, 90 days after date of adjournment, except §§ 4, 5 effective Sept. 1, 1987.