

GOVERNMENT CODE

TITLE 8. PUBLIC RETIREMENT SYSTEMS

SUBTITLE C. TEACHER RETIREMENT SYSTEM OF TEXAS

CHAPTER 824. BENEFITS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 824.001. TYPES OF BENEFITS. The types of benefits payable by the retirement system are:

- (1) service retirement benefits;
- (2) disability retirement benefits; and
- (3) death benefits.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.001 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 824.002. EFFECTIVE DATE OF RETIREMENT. (a) The effective date of a member's service retirement is the last day of the later of the following months:

(1) any month in a three-month period in which the third month is the month in which the member applies for retirement as provided by Section [824.201](#);

(2) the month in which the member satisfies age and service requirements for service retirement as provided by Section [824.202](#); or

(3) the month in which the member's employment in a position included in the coverage of the retirement system ends.

(b) The effective date of a member's disability retirement is the last day of the later of the following months:

(1) any month in a three-month period in which the third month is the month in which the member applies for retirement as provided by Section [824.301](#); or

(2) the month in which the member's employment in a position included in the coverage of the retirement system ends.

(c) For the purposes of this section, a member's employment in a position covered by the retirement system does not end if the member is on leave of absence or has a contract for future

employment in a public school, other than a contract for employment that would, if the retiring member and the employer were to comply with all procedural requirements, qualify under Section 824.602 for an exception to the loss of monthly benefits required by Section 824.601.

(d) A person who works not later than June 15 of a year in order to complete all work required for the school year may be considered to have ended employment on May 31 of that year for the purposes of Subsections (a)(3) and (b)(2).

(e) Except as provided by Section 823.403(d), if applicable, not later than two months after the later of a member's retirement date or the last day of the month in which the member's application for retirement is submitted, and before the later of the due date for the first monthly annuity payment or the date on which the retirement system issues the first monthly annuity payment, a member applying for service retirement may, after providing notice to the retirement system, reinstate withdrawn contributions, make deposits for military service and equivalent membership service, and receive service credit as provided by this subtitle.

(f) An effective retirement date may not be changed after it is established except by revocation of retirement under Section 824.005.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1985, 69th Leg., ch. 832, Sec. 4, eff. June 15, 1985. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.002 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., 1st C.S., ch. 13, Sec. 4, eff. Sept. 1, 1992; Acts 1995, 74th Leg., ch. 555, Sec. 11, eff. Sept. 1, 1995; Acts 2001, 77th Leg., ch. 1229, Sec. 7, eff. Sept. 1, 2001.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 931 (S.B. 1664), Sec. 6, eff. September 1, 2017.

Sec. 824.003. WHEN BENEFITS ARE PAYABLE. Except as otherwise provided by this chapter, an annuity provided by this

chapter is payable for the month in which the person who receives the annuity dies. Monthly annuity payments are generally due to be paid on the last working day of the month for which the payment accrues.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.003 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1995, 74th Leg., ch. 555, Sec. 12, eff. Sept. 1, 1995.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 763 (H.B. [2168](#)), Sec. 1, eff. September 1, 2015.

Sec. 824.004. WAIVER OF BENEFITS. (a) A person may, on a form prescribed by and filed with the retirement system, waive all or a portion of any benefits from the retirement system to which the person is entitled. A person may revoke a waiver of benefits in the same manner as the original waiver was made.

(b) A revocable waiver may be revoked only as to benefits payable after the date the revocation is filed. If a waiver is made irrevocable and is filed with the retirement system before the first benefit payment is made to the person executing the waiver, Section [824.103](#) applies to determine alternative beneficiaries.

(c) The retirement system shall transfer to the state contribution account from the appropriate benefit reserve accounts amounts not used to pay benefits because of a waiver executed under this section.

(d) The board of trustees may provide rules for administration of waivers under this section.

(e) The retirement system may not require a person filing a waiver of benefits under this section to submit a sworn affidavit in order to receive the accumulated contributions.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.004 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1999, 76th Leg., ch. 1118, Sec. 2, eff. Sept. 1, 1999.

Sec. 824.005. REVOCATION OF RETIREMENT. (a) A person who has retired under the retirement system may revoke that retirement by filing with the system a written revocation in a form prescribed by the system. For a revocation to be effective, the retirement system must receive the written revocation before the later of the due date for the first payment of the annuity or the date on which the retirement system makes the first payment. After the later of those dates, a retiree may not revoke the retirement. For purposes of this subtitle, the retirement system makes a payment by depositing a check in the mail or sending payment by electronic fund transfer.

(b) A person who has retired under the retirement system revokes that retirement if the person becomes employed in any position in a public school during the first month following that person's effective date of retirement, or during the first two months following an effective date of retirement established by reliance on Section 824.002(d), and must return any retirement benefits received under the original retirement.

(c) A person who revokes a retirement under this section is restored to membership in the retirement system as if that person had never retired.

Added by Acts 1981, 67th Leg., 1st C.S., p. 204, ch. 18, Sec. 26, eff. Nov. 10, 1981. Amended by Acts 1985, 69th Leg., ch. 832, Sec. 5, eff. June 15, 1985. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.005 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1995, 74th Leg., ch. 555, Sec. 13, eff. Sept. 1, 1995.

Sec. 824.006. PAYMENT OF ANNUITY ON DEATH OF MEMBER OR RETIREE. (a) A monthly annuity payable to a retiree or beneficiary is payable to that person through the month in which the person dies. A continuation of an optional annuity or the payment of a death or survivor benefit annuity begins with payment for the month following the month in which the death occurs.

(b) The effective date of death of a member who dies before retirement is, for the purpose of a death or survivor benefit annuity, the last day of the month preceding the month in which the

member dies. The first payment of the annuity becomes due at the end of the month in which the member's death occurs.

Added by Acts 1995, 74th Leg., ch. 555, Sec. 14, eff. Sept. 1, 1995.

Sec. 824.007. DEDUCTIONS FROM SERVICE OR DISABILITY RETIREMENT ANNUITY. (a) In this section, "program administrator" means the person who administers the uniform program under Section [1601.102](#), Insurance Code.

(b) An individual eligible to participate in the uniform program under Section [1601.102](#), Insurance Code, may authorize the retirement system to deduct the amount of the contribution and any other qualified health insurance premium from the individual's regular monthly service or disability retirement annuity payment if the individual is:

(1) eligible to receive a monthly annuity from the retirement system greater than the amount of the authorized deduction; and

(2) eligible under Section 402(1), Internal Revenue Code of 1986, or a similar law, to elect to exclude from annual gross income up to \$3,000 of distributions from an eligible retirement plan used for qualified health insurance premiums.

(c) An individual may authorize the deduction described by Subsection (b) on a form provided by the program administrator. The program administrator shall coordinate the implementation of an authorization under Subsection (b) with the retirement system.

(d) After making the deductions, the retirement system shall pay to the program administrator an aggregate amount for all individuals who authorize annuity deductions under Subsection (b).

(e) If an individual no longer receives a monthly annuity greater than the amount of the authorized deduction, the retirement system:

(1) shall inform the program administrator; and

(2) is not required to make any deduction under this section for the individual.

(f) The retirement system is not required to accept an authorization for a deduction under this section if payment of

qualified health insurance premiums by deduction from a retirement plan annuity is not required for an eligible retiree to elect the gross income exclusion described by Subsection (b)(2).

Added by Acts 2009, 81st Leg., R.S., Ch. 1171 (H.B. 3347), Sec. 2, eff. September 1, 2009.

Sec. 824.0071. DEDUCTIONS FROM SERVICE OR DISABILITY RETIREMENT ANNUITY FOR CERTAIN UNIVERSITY INSURANCE PROGRAM CONTRIBUTIONS. (a) In this section, "program administrator" means the person who administers the uniform program under Section 1601.051, Insurance Code.

(b) A retiree who is participating in the uniform program under Chapter 1601, Insurance Code, may authorize the retirement system to deduct the amount of the contribution and any other qualified health insurance premium from the retiree's regular monthly service or disability retirement annuity payment if the amount of the monthly annuity is greater than or equal to the amount of the authorized deduction.

(c) A retiree may authorize the deduction described by Subsection (b) on a form provided by the program administrator. The program administrator shall maintain the record of the authorization made under this section.

(d) The program administrator shall:

(1) notify the retirement system of the authorization under Subsection (b); and

(2) in the manner and form prescribed by the retirement system, provide the retirement system with the names of the retirees and other relevant information needed by the retirement system to administer the deduction.

(e) After making the deduction, the retirement system shall pay to the program administrator an aggregate amount for all retirees who authorize annuity deductions under Subsection (b).

(f) If a retiree no longer receives a monthly annuity greater than or equal to the amount of the authorized deduction, the retirement system:

(1) shall inform the program administrator; and

(2) is not required to make a deduction under this

section for the retiree.

(g) The retirement system shall make the authorized deduction each month until:

(1) the date the annuity is no longer payable by the retirement system;

(2) the retirement system is notified by the program administrator that the retiree has canceled the authorization to make the deduction; or

(3) the amount of the monthly annuity is no longer greater than or equal to the amount of the authorized deduction as described by Subsection (f).

(h) The program administrator shall reimburse the retirement system the cost, as determined by the retirement system, incurred by the retirement system in implementing this section.

(i) This section does not apply to an individual described by Section 824.007(b).

Added by Acts 2017, 85th Leg., R.S., Ch. 1106 (H.B. 4035), Sec. 1, eff. January 1, 2018.

Sec. 824.008. DEDUCTIONS FROM AMOUNTS PAYABLE BY THE RETIREMENT SYSTEM. (a) Notwithstanding Section 821.005, the retirement system may deduct the amount of a person's indebtedness to the retirement system from an amount payable by the retirement system to the person or the person's estate and the distributees of the estate.

(b) If the retirement system makes a payment to a participant who is deceased and the payment is not payable, the retirement system may deduct the amount of the payment from any amount payable by the retirement system to a person who received the payment or to that person's estate and distributees of the estate.

Added by Acts 2011, 82nd Leg., R.S., Ch. 455 (S.B. 1667), Sec. 8, eff. September 1, 2011.

Sec. 824.009. CERTAIN EMPLOYEES AND ANNUITANTS INELIGIBLE FOR RETIREMENT ANNUITY; RESUMPTION OR RESTORATION OF ELIGIBILITY.

(a) In this section, "qualifying felony" means an offense that is punishable as a felony under the following sections of the Penal

Code:

(1) Section 21.02 (continuous sexual abuse of young child or disabled individual);

(2) Section 21.12 (improper relationship between educator and student);

(3) Section 22.011 (sexual assault) or Section 22.021 (aggravated sexual assault); or

(4) Section 43.24 (sale, distribution, or display of harmful material to minor).

(a-1) In this section, a "qualifying felony" includes any federal offense that contains elements that are substantially similar to the elements of a felony offense described in Subsection (a).

(b) This section applies only to a person who is a member or an annuitant of the retirement system and is or was an employee of the public school system.

(c) Except as provided by Subsection (e), a person is not eligible to receive a service retirement annuity from the retirement system if the person is convicted of a qualifying felony the victim of which is a student.

(d) The retirement system shall suspend payments of an annuity to a person who is not eligible to receive a service retirement annuity under Subsection (c), as determined by the retirement system, on receipt by the retirement system of:

(1) notice of a conviction for a qualifying felony under Subsection (f) or (1);

(2) notice of a conviction for a qualifying felony from a district court or district attorney; or

(3) any other information the retirement system determines by rule is sufficient to establish a conviction for a qualifying felony.

(e) A person whose conviction is overturned on appeal or who meets the requirements for innocence under Section 103.001(a)(2), Civil Practice and Remedies Code:

(1) is entitled to receive an amount equal to the accrued total of payments and interest earned on the payments withheld during the suspension period; and

(2) may resume receipt of annuity payments on payment to the retirement system of an amount equal to the contributions refunded to the person under Subsection (g).

(f) Not later than the 30th day after the date of a person's conviction for a qualifying felony, the school at which the person was employed shall provide written notice of the conviction to the retirement system. The notice must comply with rules adopted by the board of trustees under Subsection (k).

(g) A person who is not eligible to receive a service retirement annuity under Subsection (c) is entitled to a refund of the person's retirement annuity contributions, including interest earned on those contributions.

(h) Benefits payable to an alternate payee under Chapter 804 who is recognized by a domestic relations order established before September 1, 2017, are not affected by a person's ineligibility to receive a retirement annuity under Subsection (c).

(i) On conviction of a person for a qualifying felony, a court may, in the interest of justice and in the same manner as in a divorce proceeding, award any portion or all of the service retirement annuity forfeited by the person as the separate property of an innocent spouse if the annuity is partitioned or exchanged by written agreement of the spouses as provided by Subchapter B, Chapter 4, Family Code. The amount awarded to the innocent spouse may not be converted to community property.

(j) Ineligibility for a retirement annuity under this section does not impair a person's right to any other retirement benefit for which the person is eligible.

(k) The board of trustees of the retirement system shall adopt rules and procedures to implement this section.

(l) A court shall notify the retirement system of the terms of a person's conviction of a qualifying felony.

Added by Acts 2017, 85th Leg., R.S., Ch. 178 (S.B. 7), Sec. 17, eff. September 1, 2017.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 221 (H.B. 375), Sec. 2.21, eff. September 1, 2021.

Acts 2023, 88th Leg., R.S., Ch. 1129 (H.B. 4520), Sec. 3, eff.

September 1, 2023.

SUBCHAPTER B. BENEFICIARIES

Sec. 824.101. DESIGNATION OF BENEFICIARY. (a) Except as provided by Subsection (c), any member or annuitant may, on a form prescribed by and filed with the retirement system, designate one or more beneficiaries to receive benefits payable by the retirement system on the death of the member or annuitant.

(b) Except as provided by Subsection (c), a member or annuitant may change or revoke a designation of beneficiary in the same manner as the original designation was made.

(c) Only one person may be designated as beneficiary of an optional retirement annuity under Section 824.204(c)(1), (c)(2), or (c)(5), and a designation of beneficiary under any of those options may not be made, changed, or revoked, except as provided by Sections 824.1011, 824.1012, and 824.1013, after the later of the date on which the retirement system makes the first annuity payment to the retiree or the date the first payment becomes due. For purposes of this section, the term "makes payment" includes the depositing in the mail of a payment warrant or the crediting of an account with payment through electronic funds transfer.

(d) Unless a contrary intention is clearly indicated by a written designation of beneficiary and except as otherwise provided by this section, the most recent designation of beneficiary by a member or annuitant applies to all benefits payable on the death of the member or annuitant.

(e) The retirement system by rule may provide for the designation of alternate beneficiaries and may adopt other rules to administer this section.

(f) A beneficiary designation, change in beneficiary, or revocation of beneficiary is not effective unless it is authorized by this subchapter. Except as provided by Subsection (g), any authorized beneficiary designation, change in beneficiary, or revocation of beneficiary, including any modification ordered by a court or contemplated in a trust or testamentary document, must be executed by the member or annuitant in a form prescribed by the

retirement system and must be received by the retirement system before the member's or annuitant's death or, for a beneficiary named to receive continued optional service or disability retirement payments, not later than the deadline established elsewhere in this subtitle.

(g) Receipt by the retirement system of a certified copy of a divorce decree between a member or annuitant and a designated beneficiary revokes any designation of the former spouse as beneficiary of any death benefits payable under Subchapter E or F of this chapter that was effective before the date of divorce, if the decree is received by the retirement system before the payment of any part of the death benefit to any beneficiary.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.101 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1993, 73rd Leg., ch. 812, Sec. 5, eff. Sept. 1, 1993; Acts 1995, 74th Leg., ch. 555, Sec. 15, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1416, Sec. 12, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1540, Sec. 6, eff. Sept. 1, 1999.

Sec. 824.1011. DESIGNATION OF BENEFICIARY AFTER RETIREMENT. (a) A retiree who is receiving a standard service or disability retirement annuity under Section 824.203 or 824.304(b) and who marries after the date of the person's retirement may replace the annuity by selecting an optional retirement annuity under Section 824.204(c)(1), (c)(2), or (c)(5) or under Section 824.308(c)(1), (c)(2), or (c)(5), as applicable, and designating the person's spouse as beneficiary before the second anniversary of the marriage in the same manner as an annuity selection and designation of beneficiary may be made before retirement.

(b) The selection of an optional annuity and designation of a beneficiary under this section do not take effect until the first payment of the annuity that becomes due two years after the date the selection and designation are filed with the retirement system.

(c) The retirement system shall recompute the annuity of a retiree who selects an optional annuity and designates a beneficiary under this section to reflect that change and shall

adjust the annuity as appropriate for early retirement and postretirement increases provided after the date of the retiree's retirement. The retirement system shall by rule provide for the adjustment of the monthly payments of the annuity under the option selected to an amount which is the actuarial equivalent of the annuity being paid immediately before the change in benefit option and beneficiary selection.

(d) If a retiree who selects an optional annuity and designates a beneficiary under this section dies before the change takes effect or if the designated beneficiary dies before the change takes effect, the selection of an optional annuity and designation of beneficiary have no effect.

Added by Acts 1995, 74th Leg., ch. 555, Sec. 16, eff. Sept. 1, 1995; Amended by Acts 1997, 75th Leg., ch. 1416, Sec. 13, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1540, Sec. 7, eff. Sept. 1, 1999.

Sec. 824.1012. POST-RETIREMENT CHANGE IN RETIREMENT PAYMENT PLAN FOR CERTAIN RETIREMENT BENEFIT OPTIONS. (a) As an exception to Section 824.101(c), a retiree who selected an optional service retirement annuity under Section 824.204(c)(1), (c)(2), or (c)(5) or an optional disability retirement annuity under Section 824.308(c)(1), (c)(2), or (c)(5) and who has received at least one payment under the plan selected may change the optional annuity selection made by the retiree to a standard service or disability retirement annuity as provided for in this section. If the beneficiary of the optional annuity was the spouse of the retiree when the retiree designated the spouse as beneficiary of the optional annuity, to change from the optional annuity to a standard retirement annuity under this subsection, the spouse or former spouse, as applicable, who was designated the beneficiary of the optional annuity must sign a notarized consent to the change or a court with jurisdiction over the marriage of the retiree and beneficiary must approve or order the change. The change in plan selection takes effect when the retirement system receives the request to change the plan, provided the signed consent form or court order, as applicable, is subsequently received by the retirement system.

(a-1) The executive director or the executive director's designee has exclusive authority to determine whether the language in a court order described by Subsection (a) is sufficient to indicate that the court has approved or ordered the change in plan selection. A determination by the executive director or the executive director's designee under this subsection may be appealed only to the board of trustees, except that the board by rule may waive the requirement that an appeal be to the board. An appeal to the board is a contested case under Chapter 2001. The standard of review of an appeal brought under this subsection is by substantial evidence.

(b) A change described by Subsection (a) cancels the optional annuity selection made by the retiree, effective with the beginning of payments of the annuity as recomputed under this subsection. The retiree is entitled to receive payments of a standard service or disability retirement annuity, as applicable, reduced for early retirement, if applicable, beginning with the payment for the month after the month in which the retirement system receives the notice of change and ending on the death of the retiree. The change also cancels the designation of beneficiary with respect to the optional annuity benefit but does not cancel a designation with respect to any other benefit payable by the retirement system on the death of the retiree.

(c) The retirement system by rule may establish requirements for forms, documentation, and procedures necessary for the administration of this section.

Added by Acts 1997, 75th Leg., ch. 401, Sec. 1, eff. May 28, 1997.

Amended by Acts 1999, 76th Leg., ch. 1540, Sec. 8, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1229, Sec. 8, eff. Sept. 1, 2001.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1078 (H.B. 3357), Sec. 2, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 1078 (H.B. 3357), Sec. 3, eff. September 1, 2013.

Acts 2017, 85th Leg., R.S., Ch. 930 (S.B. 1663), Sec. 3, eff. September 1, 2017.

Sec. 824.1013. CHANGE OF BENEFICIARY AFTER RETIREMENT. (a) A retiree receiving an optional retirement annuity under Section 824.204(c)(1), (c)(2), or (c)(5) or Section 824.308(c)(1), (c)(2), or (c)(5) may change the designated beneficiary as provided by this section for the benefits payable after the retiree's death under those sections.

(b) If the beneficiary designated at the time of the retiree's retirement is the spouse of the retiree at the time of the designation:

(1) the spouse must give written, notarized consent to the change;

(2) if the parties divorce after the designation, the former spouse who was designated beneficiary must give written, notarized consent to the change; or

(3) a court with jurisdiction over the marriage must approve or order the change.

(c) A beneficiary designated under this section is entitled on the retiree's death to receive monthly payments of the survivor's portion of the retiree's optional retirement annuity for the shorter of:

(1) the remainder of the life expectancy of the beneficiary designated as of the effective date of the retiree's retirement; or

(2) the remainder of the new beneficiary's life.

(c-1) Notwithstanding Subsection (c), a beneficiary designated under this section is entitled on the retiree's death to receive monthly payments of the survivor's portion of the retiree's optional retirement annuity for the remainder of the beneficiary's life if the beneficiary designated at the time of the retiree's retirement is a trust and the beneficiary designated under this section is:

(1) the sole beneficiary of that trust; or

(2) an individual who at the time of the retiree's death is the sole beneficiary of that trust.

(c-2) The executive director or the executive director's designee has exclusive authority to determine whether the language in a court order described by Subsection (b) is sufficient to

indicate that the court has approved or ordered the change in the designated beneficiary. A determination by the executive director or the executive director's designee under this subsection may be appealed only to the board of trustees, except that the board by rule may waive the requirement that an appeal be to the board. An appeal to the board is a contested case under Chapter 2001. The standard of review of an appeal brought under this subsection is by substantial evidence.

(d) A retiree may not change a beneficiary under this section after retirement if the retiree has previously changed or designated after retirement a beneficiary for optional retirement annuity payments under this subtitle.

Acts 1997, 75th Leg., ch. 1416, Sec. 14, eff. Sept. 1, 1997.
Renumbered as Sec. 824.1013 by Acts, 1999, 76th Leg., ch. 1540, Sec. 9, eff. Sept. 1, 1999.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 455 (S.B. 1667), Sec. 9, eff. September 1, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 1078 (H.B. 3357), Sec. 4, eff. September 1, 2013.

Acts 2017, 85th Leg., R.S., Ch. 930 (S.B. 1663), Sec. 4, eff. September 1, 2017.

Sec. 824.102. TRUST AS BENEFICIARY. (a) Except as provided by Subsection (b), a member or annuitant may designate a trust as beneficiary for the payment of benefits from the retirement system. If a trust is designated beneficiary, the beneficiary of the trust is considered the designated beneficiary for the purposes of determining eligibility for and the amount and duration of benefits. The trustee is entitled to exercise any rights to elect benefit options and name subsequent beneficiaries.

(b) A trust having more than one beneficiary may not receive benefits to which multiple designated beneficiaries are not entitled under this chapter.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981.
Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.102 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1,

1989.

Sec. 824.103. ABSENCE OF BENEFICIARY. (a) Benefits payable on the death of a member or annuitant, except an optional retirement annuity under Section 824.204(c)(1), (c)(2), or (c)(5), are payable, and rights to elect survivor benefits, if applicable, are available, to one of the classes of persons described in Subsection (b), if:

(1) the member or annuitant fails to designate a beneficiary before death;

(2) a designated beneficiary does not survive the member or annuitant;

(3) a designated beneficiary, under Section 824.004, waives claims to benefits payable on the death of the member or annuitant;

(4) a beneficiary designation is revoked under Section 824.101(g); or

(5) a person is not eligible to receive a benefit under Section 824.105.

(b) The following classes of persons, in descending order of precedence, are eligible to receive benefits in a situation described in Subsection (a):

(1) any surviving joint designated beneficiaries;

(2) any alternate beneficiaries;

(3) the surviving spouse of the decedent;

(4) any children of the decedent or their descendants by representation;

(5) the parents of the decedent;

(6) the executor or administrator of the decedent's estate; or

(7) the persons entitled by law to distribution of the decedent's estate.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.103 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1995, 74th Leg., ch. 555, Sec. 17, eff. Sept. 1, 1995.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 455 (S.B. 1667), Sec. 10, eff. September 1, 2011.

Sec. 824.104. FAILURE OF BENEFICIARY TO CLAIM BENEFITS.

(a) If, before the first anniversary of the death of a member or annuitant, the retirement system does not receive a claim for payment of benefits from a designated beneficiary or a person entitled to benefits under Section 824.103, the retirement system may pay benefits, except an optional retirement annuity under Section 824.204(c)(1), (c)(2), or (c)(5), under the order of precedence in Section 824.103(b), as if the person failing to claim benefits had predeceased the decedent.

(b) Payment under Subsection (a) bars recovery by any other person of the benefits distributed.

(c) If, before the fourth anniversary of the death of a member or annuitant, payment of benefits based on the death has not been made and no claim for benefits is pending with the retirement system, the accumulated contributions of the deceased member or the balance of the reserve for the deceased annuitant is forfeited to the benefit of the retirement system. The retirement system shall transfer funds forfeited under this subsection to the state contribution account.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.104 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1995, 74th Leg., ch. 555, Sec. 18, eff. Sept. 1, 1995.

Sec. 824.105. BENEFICIARY CAUSING DEATH OF MEMBER OR

ANNUITANT. (a) A benefit payable on the death of a member or annuitant may not be paid to a person who has been convicted of causing that death or who is otherwise ineligible under Subsection (f) but instead is payable to a person who would be entitled to the benefit had the convicted or otherwise ineligible person predeceased the decedent.

(b) A person who becomes eligible under this section to

select death or survivor benefits may select benefits as if the person were the designated beneficiary.

(c) The retirement system shall reduce any annuity computed in part on the age of the convicted or otherwise ineligible person to a lump sum equal to the present value of the remainder of the annuity. The reduced amount is payable to a person entitled as provided by this section to receive the benefit.

(d) The retirement system is not required to pay benefits under this section unless it receives actual notice of the conviction or other ground of ineligibility of a beneficiary. However, the retirement system may delay payment of a benefit payable on the death of a member or annuitant pending the results of a criminal investigation and of legal proceedings relating to the cause of death.

(e) For the purposes of this section, a person has been convicted of causing the death of a member or annuitant if the person:

(1) pleads guilty or nolo contendere to, or is found guilty by a court of, causing the death of the member or annuitant, regardless of whether sentence is imposed or probated; and

(2) has no appeal of the conviction pending and the time provided for appeal has expired.

(f) A person is ineligible to receive a benefit payable on the death of a member or annuitant if the person is:

(1) found not guilty by reason of insanity under Chapter 46C, Code of Criminal Procedure, of causing the death of the member or annuitant; or

(2) the subject of an indictment, information, complaint, or other charging instrument alleging that the person caused the death of the member or annuitant and the person is determined to be incompetent to stand trial under Chapter 46B, Code of Criminal Procedure.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.105 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 455 (S.B. 1667), Sec. 11, eff.

September 1, 2011.

Sec. 824.106. SIMULTANEOUS DEATH OF MEMBER AND BENEFICIARY. When a member or annuitant and the beneficiary of the member or annuitant have died within a period of less than 120 hours, the member or annuitant is considered to have survived the beneficiary for the purpose of determining the rights to amounts payable under this subtitle on the death of the member or annuitant.

Added by Acts 1987, 70th Leg., ch. 61, Sec. 4, eff. Aug. 31, 1987. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.106 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

SUBCHAPTER C. SERVICE RETIREMENT BENEFITS

Sec. 824.201. APPLICATION FOR SERVICE RETIREMENT BENEFITS.

(a) A member may apply for a service retirement annuity by filing a written application for retirement with the board of trustees.

(b) At any time before the retirement system makes the first annuity payment or the first annuity payment becomes due, a member may, by filing written notice with the board of trustees, revoke the member's application for retirement or make, revoke, or change a selection of an optional service retirement annuity available as provided by Section [824.204](#).

(c) Except as specifically provided by this subtitle, a retiree may not revoke a retirement nor make, revoke, or change a selection of an optional service retirement annuity.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.201 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1995, 74th Leg., ch. 555, Sec. 19, eff. Sept. 1, 1995.

Sec. 824.202. ELIGIBILITY FOR SERVICE RETIREMENT.

(a) Except as provided by Subsections (a-1) and (a-2), a member is eligible to retire and receive a standard service retirement annuity if:

(1) the member is at least 65 years old and has at least five years of service credit in the retirement system;

(2) the member is at least 60 years old and has at least 20 years of service credit in the retirement system;

(3) the member is at least 50 years old and has at least 30 years of service credit in the retirement system; or

(4) the member has at least five years of service credit in the retirement system and the sum of the member's age and amount of service credit in the retirement system equals the number 80.

(a-1) This subsection applies only to a person who becomes a member of the retirement system on or after September 1, 2007, and who is not subject to Subsection (a-2). A member subject to this subsection is eligible to retire and receive a standard service retirement annuity if:

(1) the member is at least 65 years old and has at least five years of service credit in the retirement system; or

(2) the member is at least 60 years old and has at least five years of service credit in the retirement system and the sum of the member's age and amount of service credit in the retirement system equals the number 80.

(a-2) This subsection applies only to a person who does not have at least five years of service credit in the retirement system on or before August 31, 2014, or who becomes a member of the retirement system on or after September 1, 2014. A member subject to this subsection is eligible to retire and receive a standard service retirement annuity if:

(1) the member is at least 65 years old and has at least five years of service credit in the retirement system; or

(2) the member is at least 62 years old and has at least five years of service credit in the retirement system and the sum of the member's age and amount of service credit in the retirement system equals the number 80.

(b) This subsection applies only to a person who is not subject to Subsection (b-1), (b-2), (d), (d-1), or (d-2). If a member subject to this subsection is at least 55 years old and has at least five years of service credit in the retirement system, the

member is eligible to retire and receive a service retirement annuity reduced from the standard service retirement annuity available under Subsection (a)(1), to a percentage derived from the following table:

Age at date of retirement	55	56	57	58	59	60	61	62	63	64	65
Percentage of standard annuity receivable	47%	51%	55%	59%	63%	67%	73%	80%	87%	93%	100%

(b-1) This subsection applies only to a person who becomes a member of the retirement system on or after September 1, 2007, and who is not subject to Subsection (b-2). If a member subject to this subsection is at least 55 years old and has at least five years of service credit in the retirement system, but does not meet the requirements under Subsection (d-1), the member is eligible to retire and receive a service retirement annuity reduced from the standard service retirement annuity available under Subsection (a-1)(1), to a percentage derived from the following table:

Age at date of retirement	55	56	57	58	59	60	61	62	63	64	65
Percentage of standard annuity receivable	47%	51%	55%	59%	63%	67%	73%	80%	87%	93%	100%

(b-2) This subsection applies only to a person who does not have at least five years of service credit in the retirement system on or before August 31, 2014, or who becomes a member of the retirement system on or after September 1, 2014. If a member subject to this subsection is at least 55 years old and has at least five years of service credit in the retirement system, but does not meet the requirements under Subsection (d-2), the member is eligible to retire and receive a service retirement annuity reduced from the standard service retirement annuity available under Subsection (a-2)(1), to a percentage derived from the following table:

Age at date of retirement	55	56	57	58	59	60	61	62	63	64	65
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Percentage of 47% 51% 55% 59% 63% 67% 73% 80% 87% 93% 100%
standard annuity
receivable

(c) Repealed by Acts 2005, 79th Leg., Ch. 1359, Sec. 55(a)(1), eff. September 1, 2005.

(d) This subsection applies only to a person who is not subject to Subsection (d-1) or (d-2). If a member subject to this subsection has at least 30 years of service credit in the retirement system, the member is eligible to retire regardless of age and receive a service retirement annuity consisting of the standard service retirement annuity available under Subsection (a) decreased by two percent for each year of age under 50 years.

(d-1) This subsection applies only to a person who becomes a member of the retirement system on or after September 1, 2007, and who is not subject to Subsection (d-2). If the sum of the member's age and amount of service credit in the retirement system equals the number 80, with at least five years of service credit, or if the member has at least 30 years of service credit in the retirement system, the member is eligible to retire regardless of age and receive a service retirement annuity consisting of the standard service retirement annuity available under Subsection (a-1)(2) decreased by five percent for each year of age under 60 years.

(d-2) This subsection applies only to a person who does not have at least five years of service credit in the retirement system on or before August 31, 2014, or who becomes a member of the retirement system on or after September 1, 2014. If the sum of the member's age and amount of service credit in the retirement system equals the number 80, with at least five years of service credit, or if the member has at least 30 years of service credit in the retirement system, the member is eligible to retire regardless of age and receive a service retirement annuity consisting of the standard service retirement annuity available under Subsection (a-2)(2) decreased by five percent for each year of age under 62 years.

(e) The board of trustees may adopt tables for reduction of benefits for early retirement by each month of age, but the range of percentages in the tables within a year must be limited to the range

provided between two years of age by this section.

(f) Except as provided by Chapter 803 or 805, a member is not eligible to receive service retirement benefits from the retirement system unless the member has at least five years of service credit in the retirement system for actual service in public schools.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1986, 69th Leg., 3rd C.S., ch. 25, Sec. 1, eff. Oct. 15, 1986; Acts 1989, 71st Leg., ch. 222, Sec. 1, eff. Sept. 1, 1989; Acts 1989, 71st Leg., ch. 835, Sec. 3(a), (b), eff. Sept. 1, 1989. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.202 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1989, 71st Leg., ch. 1100, Sec. 4.11(a), eff. Sept. 1, 1989; Acts 1991, 72nd Leg., ch. 16, Sec. 11.05(c), eff. Aug. 26, 1991; Acts 1995, 74th Leg., ch. 555, Sec. 20, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1416, Sec. 15, eff. Sept. 1, 1997.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. 1691), Sec. 11, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1359 (S.B. 1691), Sec. 55(a)(1), eff. September 1, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 455 (S.B. 1667), Sec. 12, eff. September 1, 2011.

Acts 2013, 83rd Leg., R.S., Ch. 1214 (S.B. 1458), Sec. 1, eff. September 1, 2014.

Sec. 824.203. STANDARD SERVICE RETIREMENT BENEFITS. (a) Except as provided by Subsections (c) and (d), the standard service retirement annuity is an amount computed on the basis of the member's average annual compensation for the five years of service, whether or not consecutive, in which the member received the highest annual compensation, times 2.3 percent for each year of service credit in the retirement system.

(b) In the case of a person who retired before August 27, 1979, ceilings in the definition of "annual compensation" apply to the computation of average annual compensation under Subsection (a). In the case of a person who retires on or after that date, those ceilings do not apply and the computation shall be based on

actual compensation paid or payable for services as an employee to the extent that the computation includes compensation for school years before the 1981-82 school year.

(c) Except as provided by Subsection (d), for benefits payable because of the death or retirement of a member that occurred before September 1, 1982, the standard service retirement annuity is computed in accordance with applicable prior law.

(d) In no case may the standard service retirement annuity be less than \$150 a month. The minimum benefits provided by this section are subject to reduction in the same manner as other benefits because of early retirement or selection of an optional retirement annuity.

(e) Repealed by Acts 2001, 77th Leg., ch. 1229, Sec. 29(4), eff. Sept. 1, 2001.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1981, 67th Leg., 1st C.S., p. 204, ch. 18, Sec. 27, eff. Sept. 1, 1982. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.203 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., 1st C.S., ch. 13, Sec. 5, eff. Nov. 12, 1991; Acts 1995, 74th Leg., ch. 555, Sec. 21, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1416, Sec. 16, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1540, Sec. 10, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1229, Sec. 9, 29(4), eff. Sept. 1, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 12, eff. September 1, 2005.

Sec. 824.2031. BENEFIT IMPROVEMENTS. (a) Each regular legislative session, the legislature shall determine whether the performance of the retirement system trust fund makes the fund capable of supporting improvements in the plan of benefits.

(b) A determination under this section shall be founded on the information in the most recent report of an investment practices and performance evaluation conducted under Section [802.109](#) and the application of that information to:

(1) the present amortization period for liabilities of

the retirement system;

(2) the rate of return on retirement system investments over and above the rate of inflation of the investment portfolio as a whole, of the portion of the investment portfolio entrusted to private investment entities, and of the portion of the investment portfolio entrusted to investment officers who are employees of the retirement system;

(3) economic projections of market conditions and future investment rates of return as reflected in the comptroller's most recent economic forecast and revenue estimate;

(4) the costs, including changes in the amortization period for liabilities of the retirement system, of providing cost-of-living or other increases in benefits to current annuitants; and

(5) an evaluation of the diversity of retirement system investments and whether the portfolio provides low-risk, long-term growth.

Added by Acts 1995, 74th Leg., ch. 555, Sec. 22, eff. Sept. 1, 1995.

Amended by:

Acts 2021, 87th Leg., R.S., Ch. 141 (H.B. [1585](#)), Sec. 1, eff. May 26, 2021.

Sec. 824.204. OPTIONAL SERVICE RETIREMENT BENEFITS. (a) Instead of the standard service retirement annuity payable under Section [824.203](#) or an annuity reduced because of age under Section [824.202](#), a retiring member may elect to receive an optional service retirement annuity, reduced for early retirement if applicable, under this section. An election to receive an optional service retirement annuity must be filed with the board of trustees not later than the effective date of retirement.

(b) An optional service retirement annuity is an annuity payable throughout the life of the retiree and is actuarially reduced from the annuity otherwise payable under this subtitle to its actuarial equivalent under the option selected under Subsection (c).

(c) An eligible member may select one of the following options, which provide that:

(1) after the retiree's death, the reduced annuity is payable to and throughout the life of the person nominated by the retiree's written designation filed prior to retirement;

(2) after the retiree's death, one-half of the reduced annuity is payable to and throughout the life of the person nominated by the retiree's written designation filed prior to retirement;

(3) if the retiree dies before 60 monthly annuity payments have been made, the remainder of the 60 payments are payable to the designated beneficiary;

(4) if the retiree dies before 120 monthly annuity payments have been made, the remainder of the 120 payments are payable to the designated beneficiary; or

(5) after the retiree's death, three-fourths of the reduced annuity is payable to and throughout the life of the person nominated by the retiree's written designation filed prior to retirement.

(d) If a person who is nominated by a retiree in the written designation under Section [824.101](#) predeceases the retiree, the reduced annuity of a retiree who has elected an optional service retirement annuity under Subsection (c)(1), (c)(2), or (c)(5) shall be increased to the standard service retirement annuity that the retiree would otherwise be entitled to receive if the retiree had not selected that annuity option. The standard service retirement annuity shall be adjusted as appropriate for:

(1) early retirement as provided by Section [824.202](#);
and

(2) postretirement increases in retirement benefits authorized by law after the date of retirement.

(e) The increase in the annuity under Subsection (d) begins with the payment due at the end of September, 1995, or the first monthly payment made to the retiree following the date of death of the person nominated, whichever is later, and is payable to the retiree for the remainder of the retiree's life.

(f) The board of trustees shall adopt separate tables to be used to reduce an optional service retirement annuity under Subsection (d) to the actuarial equivalent of the standard service

retirement annuity.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1989, 71st Leg., ch. 835, Sec. 4, eff. Sept. 1, 1989. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.204 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 16, Sec. 11.05(d), eff. Aug. 26, 1991; Acts 1993, 73rd Leg., ch. 812, Sec. 6, eff. Sept. 1, 1993; Acts 1995, 74th Leg., ch. 555, Sec. 23, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1416, Sec. 17, eff. Sept. 1, 1997.

Sec. 824.2045. PARTIAL LUMP-SUM OPTION. (a) A member may select a standard service retirement annuity or an optional service retirement annuity described by Section 824.204, reduced for early age as applicable under Section 824.202, together with a partial lump-sum distribution, if:

(1) the member is eligible for a service retirement annuity;

(2) the sum of the member's age and amount of service credit in the retirement system equals the number 90; and

(3) the member is not participating in the deferred retirement option plan under Subchapter I.

(b) The amount of the lump-sum distribution under this section may not exceed the sum of 36 months of a standard service retirement annuity reduced for early age as applicable under Section 824.202 computed without regard to this section.

(c) The service retirement annuity selected by the member shall be actuarially reduced to reflect the lump-sum option selected by the member and shall be actuarially equivalent to a standard or optional service retirement annuity, as applicable, reduced for early age as applicable under Section 824.202, without the partial lump-sum distribution. The annuity and lump sum shall be computed to result in no actuarial loss to the retirement system.

(d) The retiring member may choose a lump sum equal to 12 months of a standard service retirement annuity and payable at the same time that the first monthly payment of the annuity is paid, a lump sum equal to 24 months of a standard annuity and payable in one or two annual payments, or a lump sum equal to 36 months of a

standard annuity and payable in one, two, or three annual payments. At the option of the member, a payment under this subsection may be made as provided by Section 825.509. The amount of the lump sum shall be computed based on a standard service retirement annuity reduced for early age as applicable under Section 824.202.

(e) The amount of the lump-sum distribution will be deducted from any amounts otherwise payable under Section 824.503.

(f) The partial lump-sum option under this section may be elected only once by a member and may not be elected by a retiree. A member retiring under the proportionate retirement program under Chapter 803 is not eligible for the partial lump-sum option.

(g) Before a retiring member selects a partial lump-sum distribution under this section, the retirement system shall provide a written notice to the member of the amount by which the member's annuity will be reduced because of the selection. The member shall be asked to sign a copy of or receipt for the notice, and the retirement system shall maintain the signed copy or receipt.

(h) The board of trustees may adopt rules for the implementation of this section.

Added by Acts 1999, 76th Leg., ch. 1540, Sec. 11, eff. Sept. 1, 1999.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. 1691), Sec. 13, eff. September 1, 2005.

Sec. 824.205. DEDUCTIONS FROM SERVICE RETIREMENT ANNUITY.

(a) A person who receives a service retirement annuity under Section 824.202, 824.203, or 824.204 may, on a form satisfactory to and filed with the retirement system, authorize the retirement system to deduct from the person's monthly annuity payment the amount required as a monthly premium for:

(1) hospital insurance benefits provided to uninsured individuals not otherwise eligible for medical insurance for the aged, as provided by Part A of Title XVIII of the federal Social Security Act (42 U.S.C. Section 1395c et seq.); and

(2) supplementary medical insurance benefits for the aged, as provided by Part B of Title XVIII of the federal Social Security Act (42 U.S.C. Section 1395j et seq.).

(b) After making deductions authorized under Subsection (a), the retirement system shall pay the required premiums to the treasury of the United States, subject to applicable laws relating to the time and manner of payment.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.205 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 824.206. CHANGE OF SERVICE RETIREMENT ANNUITY PAYMENT PLAN. (a) A retiree may change the retiree's choice of service retirement annuity payment plans after the retiree's effective date of retirement by filing written notice with the board of trustees before the later of the date on which the retirement system makes the first annuity payment or the date the first payment becomes due. After the first payment has been made by the retirement system or has become due, a retiree may not change the annuity payment plan selected.

(b) For purposes of this section, the term "makes payment" includes the depositing in the mail of a payment warrant or the crediting of an account with payment through electronic funds transfer.

(c) The retirement system may adopt rules to administer this section.

Added by Acts 1993, 73rd Leg., ch. 812, Sec. 7, eff. Sept. 1, 1993.

SUBCHAPTER D. DISABILITY RETIREMENT BENEFITS

Sec. 824.301. APPLICATION FOR DISABILITY RETIREMENT BENEFITS. (a) A member may apply for a disability retirement annuity by:

(1) filing a written application for retirement with the board of trustees; or

(2) having an application filed with the board by the

member's legal representative.

(b) In addition to an application for retirement, a member shall file with the board of trustees the results of a medical examination of the member.

(c) The board of trustees by rule may require the submission to it of additional information about a disability. The retirement system shall prescribe forms for the information required by this section.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.301 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 824.302. ELIGIBILITY FOR DISABILITY RETIREMENT. Subject to Section [824.310](#), a member is eligible to retire and receive a disability retirement annuity if the member:

(1) is mentally or physically disabled from the further performance of duty; and

(2) has a disability that is probably permanent.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.302 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., 1st C.S., ch. 13, Sec. 6, eff. Sept. 1, 1992.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1230 (H.B. [2427](#)), Sec. 1, eff. September 1, 2007.

Sec. 824.303. CERTIFICATION OF DISABILITY. (a) After a member applies for disability retirement, the medical board may require the member to submit additional information about the disability.

(b) If the medical board finds that the member is mentally or physically disabled from the further performance of duty and that the disability is probably permanent, the medical board shall certify disability, and the member shall be retired.

(c) The medical board may rule on an application for disability retirement at a regular or special meeting or by mail,

telephone, telegraph, or other suitable means of communication.
Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981.
Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.303 by
Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 824.304. DISABILITY RETIREMENT BENEFITS. (a) Subject to Section 824.310, if a member has a total of less than 10 years of service credit in the retirement system on the date of disability retirement, the retirement system shall pay the person a disability retirement annuity of \$150 a month for the shortest of the following periods:

- (1) the duration of the disability;
- (2) the number of months of creditable service the person has at retirement; or
- (3) the duration of the person's life.

(b) Subject to Section 824.310, if a member has a total of at least 10 years of service credit in the retirement system on the date of disability retirement, the retirement system shall pay the person for the duration of the disability a disability retirement annuity in an amount equal to the greater of:

- (1) a standard service retirement annuity computed under Section 824.203; or
- (2) \$150 a month.

(c) Before the 31st day after the date on which the medical board certifies a member's disability, the member may reinstate withdrawn contributions and make deposits for military service and equivalent membership service and receive service credit as provided by this subtitle.

(d) The minimum benefits provided by this section are subject to reduction under rules adopted under Section 824.310 and are also subject to reduction in the same manner as other benefits because of the selection of an optional retirement annuity.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981.
Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.304 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., 1st C.S., ch. 13, Sec. 7, eff. Sept. 1, 1992; Acts 1993, 73rd Leg., ch. 812, Sec. 8, 38, eff.

Sept. 1, 1993; Acts 1995, 74th Leg., ch. 555, Sec. 24, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1416, Sec. 18, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 1229, Sec. 10, eff. Sept. 1, 2001.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1230 (H.B. [2427](#)), Sec. 2, eff. September 1, 2007.

Sec. 824.305. MEDICAL EXAMINATION OF DISABILITY RETIREE.

(a) Once each year during the first five years after a member retires for disability, and once in each three-year period after that, the board of trustees may require a disability retiree who is less than 60 years old to undergo a medical examination by one or more physicians the board designates.

(b) If a disability retiree refuses to submit to a medical examination as provided by this section, the board of trustees shall discontinue the retiree's annuity payments until the retiree submits to an examination.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.305 by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 824.307. RESTORATION OF DISABILITY RETIREE TO MEMBERSHIP. (a) If the medical board finds that a disability retiree is no longer mentally or physically incapacitated for the performance of duty, it shall certify its findings and submit them to the board of trustees.

(b) If a disability retiree is restored to active service, other than service described by Section [824.602](#)(a)(1), or refuses for more than one year to submit to a required medical examination, or if the board of trustees concurs in a certification issued under Subsection (a), the board shall discontinue the retiree's annuity payments and the retiree must again become a member of the retirement system.

(c) When a person becomes a member under this section, an amount equal to the sum in the person's individual account in the member savings account at the time of retirement, minus the amount of annuity payments made since retirement, shall be transferred

from the retired reserve account to the person's individual account in the member savings account. The member is entitled to service credit for all service credit used to compute the member's disability retirement annuity at the time of retirement.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.307 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., 1st C.S., ch. 13, Sec. 8, eff. Sept. 1, 1992.

Sec. 824.308. OPTIONAL DISABILITY RETIREMENT BENEFITS. (a) Instead of an annuity payable under Section 824.304(b), a member retiring under that section may elect to receive an optional disability retirement annuity under this section. An election to receive an optional disability retirement annuity must be filed with the board of trustees not later than the later of the effective date of retirement or the date the member applies for retirement.

(b) An optional disability retirement annuity is an annuity payable throughout the disability of the disability retiree and is actuarially reduced from the annuity otherwise payable under Section 824.304(b), after any reduction under rules adopted under Section 824.310, to its actuarial equivalent under the option selected under Subsection (c).

(c) An eligible member may select one of the following options:

(1) after the disability retiree's death, the reduced annuity is payable throughout the life of a person nominated by the retiree's written designation under Section 824.101 filed before retirement;

(2) after the disability retiree's death, one-half of the reduced annuity is payable throughout the life of the retiree's designated beneficiary;

(3) if the disability retiree dies before 60 monthly annuity payments have been made, the remainder of the 60 payments are payable to the designated beneficiary;

(4) if the disability retiree dies before 120 monthly annuity payments have been made, the remainder of the 120 payments

are payable to the designated beneficiary; or

(5) after the disability retiree's death, three-fourths of the reduced annuity is payable throughout the life of the retiree's designated beneficiary.

(d) If the person nominated by the disability retiree's written designation under Section 824.101 filed before or at the time of retirement predeceases the disability retiree, the reduced annuity of a disability retiree who has elected an optional retirement annuity under Subsection (c)(1), (c)(2), or (c)(5) is increased to the standard retirement annuity that the disability retiree would otherwise be entitled to receive if the disability retiree had not selected an annuity option. The standard retirement annuity shall be adjusted as appropriate for postretirement increases in retirement benefits authorized by law after the date of retirement.

(e) The increase in the annuity under Subsection (d) begins with the first monthly payment made to the disability retiree after the date of death of the designated beneficiary and is payable to the disability retiree for the remainder of the disability retiree's disability.

(f) The board of trustees shall adopt separate tables to be used to reduce an optional disability retirement annuity under this section to the actuarial equivalent of the standard retirement annuity.

(g) The continued payment to a disability retiree and the future payment to the retiree's designated beneficiary of any disability benefit, including an optional payment elected under Subsection (c), are conditioned on the continuation of the retiree's disabled status until the date of the retiree's death.

(h) The same requirements and limitations that apply to the designation or changing of beneficiaries for service retirement annuity options, including Section 824.101, apply to the designation of beneficiaries for disability retirement options.

Added by Acts 1991, 72nd Leg., 1st C.S., ch. 13, Sec. 9, eff. Sept. 1, 1992. Amended by Acts 1993, 73rd Leg., ch. 812, Sec. 9, eff. Sept. 1, 1993; Acts 1995, 74th Leg., ch. 555, Sec. 25, eff. Sept. 1, 1995.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 1230 (H.B. 2427), Sec. 3, eff. September 1, 2007.

Sec. 824.309. CHANGE OF DISABILITY RETIREMENT PAYMENT PLAN.

(a) A retiree may change the retiree's choice of disability retirement payment plans after the retiree's effective date of retirement by filing written notice with the board of trustees before the later of the date on which the retirement system makes the first annuity payment or the date the first payment becomes due. After the first payment has been made by the retirement system or has become due, a retiree may not change the annuity payment plan selected.

(b) For purposes of this section, the term "makes payment" includes the depositing in the mail of a payment warrant or the crediting of an account with payment through electronic funds transfer.

(c) The retirement system may adopt rules to administer this section.

Added by Acts 1993, 73rd Leg., ch. 812, Sec. 10, eff. Sept. 1, 1993.

Sec. 824.310. PURPOSE OF DISABILITY BENEFIT; LIMIT ON SUPPLEMENTAL INCOME. (a) The purpose of a disability retirement annuity paid under this subchapter is to lessen the financial hardships faced by a member with a disability.

(b) The board of trustees shall adopt rules under which the disability retirement annuity paid to a disability retiree under this subchapter is reduced on a sliding-scale basis or is suspended for a period in which the compensation earned by the retiree for work performed in a 12-month period during the disability retirement, as determined under the rules of the board of trustees, exceeds the compensation earned by the retiree during the 12-month period in which the retiree earned the highest compensation for actual service as a member of the retirement system.

(c) The rules adopted under Subsection (b) must provide for the partial or full reinstatement of a disability retirement annuity that is reduced or suspended if the compensation earned by

the retiree for work performed during the disability retirement is reduced or suspended.

(d) The board of trustees by rule shall require a disability retiree to report to the board the amount of compensation earned by the disability retiree that exceeds the amount established by the board by rule for work performed during the disability.

Added by Acts 2007, 80th Leg., R.S., Ch. 1230 (H.B. 2427), Sec. 4, eff. September 1, 2007.

SUBCHAPTER E. MEMBER DEATH BENEFITS

Sec. 824.401. AVAILABILITY OF ANNUITY. (a) A death benefit annuity under this chapter is payable only if the decedent had, at the time of death, at least the minimum amount of service credit in the retirement system necessary for a service retirement annuity at an attained age.

(b) Multiple beneficiaries are not eligible to receive a death benefit annuity under Section 824.402(a)(4) or an equivalent annuity under Section 824.403.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.401 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 824.402. BENEFITS ON DEATH OF ACTIVE MEMBER. (a) Except as provided by Section 824.401, 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 \$80,000, 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 \$80,000, whichever is less;

(3) 60 monthly payments of a standard service retirement annuity, computed as provided by Section 824.203;

(4) an optional retirement annuity for the designated beneficiary's life in an amount computed as provided by Section [824.204\(c\)\(1\)](#) 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.

(a-1) In determining under Subsection (a)(4) whether to reduce the optional retirement annuity amount because of early retirement and in determining the amount of that reduction, if applicable, the retirement system shall make the determination as if the member had retired with an additional five years of service credit on the last day of the month preceding the month in which the member dies. The additional five years of service credit used in making a determination under this subsection may not be used to determine the amount of the benefit under Section [824.203](#) or whether the benefit under this subsection is authorized under Section [824.401](#).

(b) In addition to the benefits provided under Subsection (a), the designated beneficiary of a member who is an employee of a school district and who dies as the result of a physical assault during the performance of the employee's regular duties is eligible to receive a lump-sum death benefit payment in the amount of \$160,000.

(c) The board of trustees by rule may prescribe the manner of payment of benefits under this section.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1987, 70th Leg., ch. 413, Sec. 4, eff. Sept. 1, 1987. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.402 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1995, 74th Leg., ch. 555, Sec. 26, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 1540, Sec. 12, eff. Sept. 1, 1999.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 930 (S.B. [1663](#)), Sec. 5, eff. September 1, 2017.

Sec. 824.403. BENEFITS ON DEATH OF INACTIVE MEMBER. (a) Except as provided by Section 824.401, the designated beneficiary of a member who dies while absent from service is eligible to receive:

(1) the same benefits payable under Section 824.402 or 824.404 if the member's absence from service was:

(A) because of sickness, accident, or other cause the board of trustees determines involuntary;

(B) in furtherance of the objectives or welfare of the public school system; or

(C) during a time when the member was eligible to retire or would become eligible without further service before the fifth anniversary of the member's last day of service as a member; or

(2) an amount equal to the accumulated contributions in the member's individual account in the member savings account, if the member's absence from service does not satisfy a requirement of Subdivision (1).

(b) To the extent required by Section 401(a)(37), Internal Revenue Code of 1986, the designated beneficiary of a member who died on or after January 1, 2007, while the member was performing qualified military service as defined by Section 414(u), Internal Revenue Code of 1986, is eligible to receive additional benefits to the same extent as if the member had resumed employment and been employed at the time of death.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.403 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1171 (H.B. 3347), Sec. 3, eff. September 1, 2009.

Sec. 824.404. SURVIVOR BENEFITS. (a) The designated beneficiary of a member who dies may, if entitled to a death benefit other than the accumulated contributions of the member, elect to receive, instead of a benefit payable under Section 824.402 or

824.403, a lump-sum payment of \$2,500 plus an applicable monthly benefit described in this section.

(b) If the designated beneficiary is the spouse or a dependent parent of the decedent, the beneficiary may elect to receive for life a monthly benefit of \$250, beginning immediately or on the date the beneficiary becomes 65 years old, whichever is later.

(c) If the designated beneficiary is the spouse of the decedent and has one or more children less than 18 years old or has custody of one or more children of the decedent who are less than 18 years old, the designated beneficiary may elect to receive:

(1) a monthly benefit of \$350 payable until the youngest child becomes 18 years old; and

(2) when the youngest child has attained the age of 18, a monthly benefit for life of \$250, beginning on the date the beneficiary becomes 65 years old.

(d) If the designated beneficiary or beneficiaries are the decedent's dependent children who are less than 18 years old, their guardian may elect to receive for them:

(1) a monthly benefit of \$350, payable as long as two or more children are less than 18 years old; and

(2) a monthly benefit of \$250, payable as long as only one child is less than 18 years old.

(e) If the designated beneficiary is the spouse or a dependent parent of the decedent, benefits under Subsection (d) are payable, if a dependent child less than 18 years old exists, on the death of the beneficiary.

(f) A person who qualifies to receive survivor benefits from more than one deceased member as a spouse or a spouse with a dependent child is entitled to be paid only benefits based on the death of one of the decedents.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Amended by Acts 1985, 69th Leg., ch. 699, Sec. 1, eff. Sept. 1, 1985. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.404 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1993, 73rd Leg., ch. 812, Sec. 11, eff. Sept. 1, 1993; Acts 1997, 75th Leg., ch. 1416, Sec. 19, eff. Sept. 1,

1997; Acts 2001, 77th Leg., ch. 1229, Sec. 11, eff. Sept. 1, 2001.

Sec. 824.4041. BENEFITS FOR CERTAIN SURVIVING SPOUSES. (a) A person is eligible to receive benefits under this section if the person:

(1) is the designated beneficiary of a deceased member;

(2) elected before September 1, 1980, to receive for life a monthly benefit of \$75 beginning at the age of 65;

(3) became ineligible for the benefits because the person remarried before September 1, 1980; and

(4) reapplies for benefits under this section.

(b) The retirement system shall:

(1) verify whether a person is eligible to receive benefits under this section; and

(2) if the person is eligible, make payments to the person of a monthly benefit in the amount specified in Section [824.404](#).

(c) The retirement system shall make payment to a person eligible to receive benefits under this section beginning with the month after the month in which the person reapplies for benefits under this section.

Added by Acts 1993, 73rd Leg., ch. 792, Sec. 1, eff. Sept. 1, 1993.

Sec. 824.405. TABLES FOR DETERMINATION OF DEATH BENEFIT ANNUITY. For the purpose of computing a death benefit annuity under Section [824.402](#)(a)(4) or Section [824.403](#), the board of trustees shall extend the tables in Section [824.202](#) to ages earlier than indicated in the tables by actuarially reducing the benefit available under the applicable table to the actuarial equivalent at the attained age of the member.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.405 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 14, eff.

September 1, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 455 (S.B. 1667), Sec. 13, eff. September 1, 2011.

Sec. 824.406. BENEFITS FOR SURVIVORS OF CERTAIN MEMBERS.

(a) Except as provided by Subsection (c), an eligible surviving spouse who is the designated beneficiary of a person who died before April 8, 1957, and who had at the time of death a total of at least 25 years of service credit and military leave credit in the retirement system, is eligible to receive an applicable survivor benefit available under Section 824.404.

(b) A surviving spouse eligible under this section to receive a benefit is one who has not received from the retirement system a benefit based on the member's death, other than a return of the member's accumulated contributions.

(c) A surviving spouse who qualifies under this section for a survivor benefit is not eligible to receive a lump-sum benefit under Section 824.404(a).

(d) A benefit under this section is payable beginning on the last day of the month in which an eligible person applies for the benefit on a form prescribed by and filed with the retirement system.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.406 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 824.407. GUARANTEED RETURN OF AMOUNT EQUAL TO CONTRIBUTIONS. If a beneficiary selects a life annuity death benefit under Section 824.402, the retirement system shall pay a lump-sum death benefit in an amount, if any, by which the amount of the deceased member's accumulated contributions at the time of death exceeds the amount of annuity payments made to the beneficiary before the beneficiary's death. This lump-sum benefit will be paid to the person designated by the beneficiary of the annuity or, if no person is designated, to the estate of the beneficiary.

Added by Acts 1987, 70th Leg., ch. 61, Sec. 6, eff. Aug. 31, 1987.
Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.407 and
amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1,
1989.

SUBCHAPTER F. RETIREE DEATH BENEFITS

Sec. 824.501. SURVIVOR BENEFITS. (a) The designated beneficiary of a service or disability retiree who dies while receiving a service or disability retirement benefit may elect to receive:

(1) a lump-sum payment of \$2,500, plus an applicable monthly benefit under Section 824.404; or

(2) a lump-sum benefit of \$10,000.

(b) An eligible person may receive benefits under this section, Section 824.204, and Section 824.308.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981.
Amended by Acts 1989, 71st Leg., ch. 835, Sec. 5, eff. Sept. 1,
1989. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.501
and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1,
1989. Amended by Acts 1991, 72nd Leg., 1st C.S., ch. 13, Sec. 10,
eff. Sept. 1, 1992.

Sec. 824.502. BENEFITS ON DEATH OF DISABILITY RETIREE. The designated beneficiary of a disability retiree who retires before September 1, 1992, who has not selected an optional annuity under Section 824.308, and who dies while receiving a retirement benefit may elect to receive, instead of survivor benefits provided by Section 824.501, a benefit available under Section 824.402, computed as if the decedent had been in service at the time of death.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981.
Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.502 and
amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1,
1989. Amended by Acts 1991, 72nd Leg., 1st C.S., ch. 13, Sec. 11,
eff. Sept. 1, 1992; Acts 1999, 76th Leg., ch. 1540, Sec. 13, eff.
Sept. 1, 1999.

Sec. 824.503. RETURN OF EXCESS CONTRIBUTIONS. (a) If a retiree dies while receiving a standard or reduced service retirement annuity as provided by Section 824.202 or an optional service retirement annuity as provided by Section 824.204(c)(1), (c)(2), or (c)(5) and, in the case of a retiree receiving an optional service retirement annuity, if the retiree's designated beneficiary of the annuity has predeceased the retiree, the retirement system shall pay a lump-sum death benefit in an amount, if any, by which the amount of the deceased retiree's accumulated contributions at the time of retirement exceeds the amount of annuity payments made before the retiree's death.

(b) A benefit under Subsection (a) is payable to any existing designated beneficiary or, if none exists, in the manner provided by Section 824.103.

(c) If a retiree's designated beneficiary dies while receiving an optional annuity under Section 824.204(c)(1), (c)(2), or (c)(5), the retirement system shall pay a lump-sum death benefit in an amount, if any, by which the amount of the retiree's accumulated contributions at the time of retirement exceeds the amount of annuity payments made to the retiree and the designated beneficiary before the beneficiary's death.

(d) A benefit under Subsection (c) is payable to the person or persons designated as the beneficiary of the beneficiary and, if such person has not been designated or does not survive, then to the persons entitled to distribution of the deceased beneficiary's estate.

(e) An eligible person may receive benefits under both this section and Section 824.501.

(f) The designated beneficiary of a disability retiree is eligible to receive the benefits described by this section if the retiree:

- (1) retires on or after September 1, 1992; and
- (2) dies while receiving disability retirement benefits under Section 824.304.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.503 and

amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., 1st C.S., ch. 13, Sec. 12, eff. Sept. 1, 1992; Acts 1995, 74th Leg., ch. 555, Sec. 27, eff. Sept. 1, 1995.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 15, eff. September 1, 2005.

Acts 2017, 85th Leg., R.S., Ch. 930 (S.B. [1663](#)), Sec. 6, eff. September 1, 2017.

Sec. 824.504. BENEFITS FOR SURVIVORS OF CERTAIN RETIREES.

(a) Except as provided by Subsection (b), a surviving spouse who is the designated beneficiary of a retiree who did not perform a year of service after November 23, 1956, that was credited in the retirement system and who died before August 23, 1963, while receiving a retirement benefit, is eligible to receive an applicable survivor benefit available under Section [824.404](#).

(b) A surviving spouse who qualifies under this section for a survivor benefit is not eligible to receive a lump-sum benefit under Section [824.404\(a\)](#).

(c) A benefit under this section is payable beginning on the last day of the month in which an eligible person applies for the benefit on a form prescribed by and filed with the retirement system.

Acts 1981, 67th Leg., p. 1876, ch. 453, Sec. 1, eff. Sept. 1, 1981. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.504 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989.

Sec. 824.505. OTHER AMOUNTS PAYABLE ON DEATH OF RETIREE.

(a) Amounts payable by the retirement system to an annuitant that are not received by that annuitant or the annuitant's bank, as determined by the retirement system, before the annuitant's death may be paid to the person named to receive benefits in the event of the annuitant's death, in accordance with rules adopted by the board of trustees. The retirement system may send a final monthly payment of an annuity to a bank or another address previously

indicated by the annuitant or beneficiary.

(b) The board of trustees may adopt rules necessary to administer this section.

Added by Acts 1991, 72nd Leg., ch. 16, Sec. 11.05(f), eff. Aug. 26, 1991. Amended by Acts 1995, 74th Leg., ch. 555, Sec. 28, eff. Sept. 1, 1995.

SUBCHAPTER G. LOSS OF BENEFITS ON RESUMPTION OF SERVICE

Sec. 824.601. LOSS OF MONTHLY BENEFITS. (a) In this section, "third-party entity" means an entity retained by a Texas public educational institution to provide personnel to the institution that perform duties or provide services that employees of the institution would otherwise perform or provide.

(b) Except as provided by Subsection (b-1) or (b-4), or Section 824.602 and subject to Subsection (b-2) and, if applicable, Subsection (b-3), a retiree is not entitled to service or disability retirement benefit payments, as applicable, for any month in which the retiree is employed in any position by a Texas public educational institution.

(b-1) Subsection (b) does not apply to a retiree under Section 824.202 whose effective date of retirement is on or before January 1, 2021.

(b-2) A retiree is considered to be employed by a Texas public educational institution for purposes of Subsection (b) if the retiree performs duties or provides services for or on behalf of the institution that an employee of the institution would otherwise perform or provide and:

(1) the retiree waives, defers, or forgoes compensation from the institution for the performance of the duties or provision of the services at any time during the 12 consecutive calendar months after the retiree's effective date of retirement, notwithstanding any other law, including Sections 824.602(a)(1), (a)(2), and (a)(4);

(2) the retiree performs the duties or provides the services for or on behalf of the institution as an independent contractor at any time during the 12 consecutive calendar months

after the retiree's effective date of retirement; or

(3) the retiree, as a volunteer without compensation, performs the same duties or provides the same services for an institution that the retiree performed or provided immediately before retiring and the retiree has an agreement to perform those duties or provide those services after the 12 consecutive calendar months after the retiree's effective date of retirement.

(b-3) A retiree under Section 824.202 is subject to Subsection (b) only if the retirement system first issues the following notices to the retiree:

(1) with respect to the first occurrence of the retiree's employment that does not qualify for an exception under Section 824.602, the system issued a written warning notifying the retiree of that fact; and

(2) in a month following the month in which the system issued the warning described by Subdivision (1) and with respect to a subsequent occurrence of the retiree's continued employment that does not qualify for an exception under Section 824.602, the system issued a written notice:

(A) warning the retiree of the fact described by this subdivision; and

(B) requiring the retiree to pay to the system, in a form and manner prescribed by the system, an amount, as elected by the retiree, that equals the total sum the retiree:

(i) earned for all employment by Texas public educational institutions for each month occurring after the issuance of the warning under Subdivision (1) for which the retiree did not qualify for an exception under Section 824.602 and before the month the system issued the written notice described by this subdivision; or

(ii) received in retirement benefit payments for each month occurring after the issuance of the warning under Subdivision (1) for which the retiree did not qualify for an exception under Section 824.602 and before the month the system issued the written notice described by this subdivision.

(b-4) A retiree under Section 824.302 who is employed in any position by a Texas public educational institution for more than 90

days in a school year is not entitled to disability retirement benefit payments for the remaining months of the school year during which the retiree continues to be employed by an institution unless the retiree qualifies for the exception described by Section [824.602\(g\)](#).

(c) A Texas public educational institution, for the purposes of this subchapter, is any entity included in the definition of "employer" or "public school" in Section [821.001](#) or any entity in whose employment the retiree has earned credit as a member of the retirement system.

(d) A retiree who is an employee of a third-party entity is considered to be employed by a Texas public educational institution for purposes of this subchapter unless the retiree does not perform duties or provide services on behalf of or for the benefit of the institution.

(e) Loss of benefits under this section does not extend any period of guaranteed benefits elected pursuant to Section [824.204](#).

(f) Redesignated by Acts 2021, 87th Leg., R.S., Ch. 141 (H.B. [1585](#)), Sec. 3, eff. May 26, 2021.

Added by Acts 1985, 69th Leg., ch. 832, Sec. 6, eff. June 15, 1985. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.601 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989; Acts 2003, 78th Leg., ch. 655, Sec. 2, eff. June 20, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 928 (S.B. [1669](#)), Sec. 1, eff. June 17, 2011.

Acts 2017, 85th Leg., R.S., Ch. 930 (S.B. [1663](#)), Sec. 7, eff. September 1, 2017.

Acts 2021, 87th Leg., R.S., Ch. 141 (H.B. [1585](#)), Sec. 2, eff. May 26, 2021.

Acts 2021, 87th Leg., R.S., Ch. 141 (H.B. [1585](#)), Sec. 3, eff. May 26, 2021.

Acts 2021, 87th Leg., R.S., Ch. 511 (S.B. [288](#)), Sec. 1, eff. September 1, 2021.

Sec. 824.602. EXCEPTIONS.

(a) Subject to Section [825.506](#), the retirement system may

not, under Section [824.601](#), withhold a monthly benefit payment if the retiree is employed in a Texas public educational institution:

(1) as a substitute only with pay not more than the daily rate of substitute pay established by the employer and, if the retiree is a disability retiree, the employment has not exceeded a total of 90 days in the school year;

(2) in a position, other than as a substitute, on no more than a one-half time basis for the month;

(3) in one or more positions on as much as a full-time basis, if the retiree has been separated from service with all Texas public educational institutions for at least 12 full consecutive months after the retiree's effective date of retirement;

(4) in a position, other than as a substitute, on no more than a one-half time basis for no more than 90 days in the school year, if the retiree is a disability retiree; or

(5) as a tutor under Section [33.913](#), Education Code.

(b) Working any portion of a day counts as working a full day for the purposes of Subsection (a)(1) or (a)(4).

(c) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 928, Sec. 5, eff. June 17, 2011.

(d) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 928, Sec. 5, eff. June 17, 2011.

(e) Except as provided by Subsections (n) and (o), the exception provided by Subsection (a) does not apply to a retiree working as a substitute under Subsection (a)(1) who also works in another position described by Subsection (a) in the same month.

(f) The retirement system shall include any employment during the school year, including any employment that relied on the exemption provided by Subsection (a)(1) or (a)(4), in determining whether and when a disability retiree has exceeded 90 days of employment in the school year.

(g) The exceptions provided by Subsections (a)(2) and (a)(3) do not apply to disability retirees. The retirement system nevertheless may not withhold a monthly benefit payment under Section [824.601](#) if:

(1) a disability retiree is employed in a Texas public educational institution in a position, other than as a substitute,

for a period not to exceed three consecutive months;

(2) the work occurs in a period, designated by the disability retiree, of no more than three consecutive months;

(3) the disability retiree executes on a form and at a time prescribed by the retirement system a written election to have this exception apply on a one-time trial basis in determining whether benefits are to be suspended for the months of employment after retirement and in determining whether a disability retiree is no longer mentally or physically incapacitated for the performance of duty; and

(4) the disability retiree has not previously elected to avoid loss of monthly benefits under this subsection.

(h) A disability retiree is not entitled to service credit for service during a trial period under Subsection (g) if the retiree is restored to active service.

(i) Section [824.005\(b\)](#), concerning revocation of retirement on certain reemployment, applies to employment described in Subsection (a) or (g).

(j) The board of trustees shall adopt rules governing the employment of a substitute and defining "one-half time basis."

(k) The actuary designated by the board of trustees shall, in investigating the experience of the members of the system, note any significant increase in early age retirements and determine the extent to which any increase has been caused by the exception to loss of benefits for employment after retirement provided by Subsection (a)(3). If the actuary certifies in writing to the retirement system that sound actuarial funding of the retirement system's benefits is endangered by continuation of this exception, the board of trustees may determine that no further elections of the exception will be accepted from retirees, other than from those who have previously relied on the exception in retiring under this subtitle. A retiree may be considered to have relied on this exception only if retirement occurred on or after May 31, 1985, but before the date the board of trustees acknowledges receipt of such certification and if the retiree has first elected to receive benefits under the exception not later than two years after the retiree's effective date of retirement.

(l) This subchapter does not apply to payments under Section [824.804\(b\)](#).

(m) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 928, Sec. 5, eff. June 17, 2011.

(n) The exception provided by Subsection (a) applies to a retiree employed in positions under Subsections (a)(1) and (a)(2) in the same month only if the total number of days that the retiree works in those positions in that month do not exceed the number of days per month for work on a one-half-time basis.

(o) The exception provided by Subsection (a) applies to a disability retiree employed in positions under Subsections (a)(1) and (a)(4) in the same month only if the total number of days that the disability retiree works in those positions in that month do not exceed the number of days per month for work on a one-half-time basis.

(p) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 928, Sec. 5, eff. June 17, 2011.

(q) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 928, Sec. 5, eff. June 17, 2011.

Added by Acts 1985, 69th Leg., ch. 832, Sec. 6, eff. June 15, 1985.
Amended by Acts 1987, 70th Leg., ch. 61, Sec. 7, eff. Aug. 31, 1987.
Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.602 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., 1st C.S., ch. 13, Sec. 13, eff. Nov. 12, 1991; Acts 1993, 73rd Leg., ch. 113, Sec. 1, eff. May 9, 1993; Acts 1995, 74th Leg., ch. 555, Sec. 29, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 1416, Sec. 20, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1540, Sec. 14, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 567, Sec. 1, eff. June 11, 2001; Acts 2001, 77th Leg., ch. 1229, Sec. 12, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 738, Sec. 1, eff. June 20, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 9.017, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 674 (S.B. [132](#)), Sec. 8, eff. June 17, 2005.

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 16, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 537 (S.B. 1039), Sec. 1, eff. June 16, 2007.

Acts 2011, 82nd Leg., R.S., Ch. 359 (S.B. 32), Sec. 14, eff. January 1, 2012.

Acts 2011, 82nd Leg., R.S., Ch. 928 (S.B. 1669), Sec. 2, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 928 (S.B. 1669), Sec. 3, eff. June 17, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 928 (S.B. 1669), Sec. 5, eff. June 17, 2011.

Acts 2021, 87th Leg., R.S., Ch. 806 (H.B. 1525), Sec. 46, eff. September 1, 2021.

Acts 2021, 87th Leg., R.S., Ch. 880 (S.B. 1356), Sec. 3, eff. June 16, 2021.

For expiration of this section, see Subsection (c).

Sec. 824.6021. TEMPORARY EXCEPTION TO MITIGATE LEARNING LOSS ATTRIBUTABLE TO COVID-19 PANDEMIC. (a) Subject to Section 825.506, the retirement system may not, under Section 824.601, withhold a monthly benefit payment if the retiree is employed in a Texas public educational institution, other than an institution of higher education, in a position performing duties related to the mitigation of student learning loss attributable to the coronavirus disease (COVID-19) pandemic, if the position:

(1) is in addition to the normal staffing level at the Texas public educational institution;

(2) is funded wholly by federal funds provided under federal law enacted for the purpose of providing relief related to the coronavirus disease (COVID-19) pandemic, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act (15 U.S.C. Section 9001 et seq.), Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (Div. M, Pub. L. No. 116-260), or American Rescue Plan Act of 2021 (Pub. L. No. 117-2); and

(3) ends on or before December 31, 2024.

(b) The exception provided by this section:

(1) is in addition to the exceptions otherwise

provided by Sections 824.601 and 824.602; and

(2) does not apply to disability retirees.

(c) This section expires February 1, 2025.

Added by Acts 2021, 87th Leg., R.S., Ch. 511 (S.B. 288), Sec. 2, eff. September 1, 2021.

Sec. 824.6022. REQUIRED REPORTS; OFFENSE. (a) An employer shall file a monthly certified statement of employment of a retiree in the form and manner required by the retirement system.

(b) A person commits an offense if the person is an administrator of an employer, is responsible for filing a statement under Subsection (a), and knowingly fails to file the statement as required.

Added by Acts 2005, 79th Leg., Ch. 1359 (S.B. 1691), Sec. 17, eff. September 1, 2005.

Sec. 824.603. EXCLUSION FROM CREDIT. Employment of a retiree described by Section 824.601(b-1) or 824.602(a) does not entitle the retiree to additional service credit, and the retiree so employed is not required to make contributions to the system from compensation for that employment.

Added by Acts 1985, 69th Leg., ch. 832, Sec. 6, eff. June 15, 1985. Renumbered from Vernon's Ann.Civ.St. Title 110B, Sec. 34.603 and amended by Acts 1989, 71st Leg., ch. 179, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 2001, 77th Leg., ch. 1229, Sec. 13, eff. Sept. 1, 2001.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 928 (S.B. 1669), Sec. 4, eff. June 17, 2011.

Sec. 824.604. RULES. The board of trustees may adopt rules necessary for administering this subchapter.

Redesignated and amended by Acts 2021, 87th Leg., R.S., Ch. 141 (H.B. 1585), Sec. 3, eff. May 26, 2021.

SUBCHAPTER H. INCREASES IN ANNUITIES

Sec. 824.701. APPLICATION OF ANNUITY INCREASES TO CERTAIN ANNUITIES. (a) An increase that is provided by law in the amount of an annuity being paid by the retirement system and that is applicable to retirements occurring before, or not later than, a date specified in the law also applies to an annuity based on the service of a member who, before October 1, 1989:

(1) accepted, under Subchapter C, service retirement that became effective on a date that is within the period specified for eligibility for the increase;

(2) subsequently revoked the person's service retirement as provided by Section 824.005;

(3) subsequently applied for disability retirement under Section 824.301 to be effective at the end of the month in which the revocation of service retirement occurred;

(4) did not receive a disability retirement annuity under Subchapter D;

(5) subsequently accepted service retirement that became effective at the end of the month in which the earlier revocation of service retirement occurred; and

(6) applies to the retirement system in writing for recomputation of the person's annuity.

(b) As soon as practicable after a person applies under this section, the retirement system shall verify whether an applicant meets the requirements of this section and is entitled to any increases in annuities provided by existing law.

(c) The retirement system shall increase the amount of an annuity payable to a retiree who applies and is verified as eligible for an increase in annuities provided by law, by the amount or rate of the increase. The first payment of an annuity as increased by this section is due on the later of:

(1) the end of the month in which the retiree is verified under this section as eligible for the increase; or

(2) a date of first payment specified in the law providing for the increase.

(d) For the sole purpose of determining eligibility for or the amount of increases in annuities provided by law after the date a retiree has been verified as eligible for an increase under this

section, the date of retirement of the person on whose service the annuity is based will be considered the date of original service retirement that was subsequently revoked, if the retiree has not terminated the subsequent service retirement as provided by this subtitle.

Added by Acts 1989, 71st Leg., ch. 222, Sec. 5, eff. May 26, 1989.
Renumbered from Title 110B, Sec. 34.701 by Acts 1989, 71st Leg., ch. 1100, Sec. 4.11(b), eff. Sept. 1, 1989.

Sec. 824.702. COST-OF-LIVING ADJUSTMENT. (a) The retirement system shall make a one-time cost-of-living adjustment payable to annuitants receiving a monthly death or retirement benefit annuity, as provided by this section.

(b) Subject to Subsections (c) and (d), to be eligible for the adjustment, a person must be, on the effective date of the adjustment and disregarding any forfeiture of benefits under Section 824.601, an annuitant eligible to receive:

(1) a standard service or disability retirement annuity payment;

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

(3) an annuity payment under Section 824.402(a)(3) or (4);

(4) an annuity payment under Section 824.502; or

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

(c) If the annuitant:

(1) is a retiree, or is a beneficiary under an optional retirement payment plan, to be eligible for the adjustment under this section:

(A) the annuitant must be living on the effective date of the adjustment; and

(B) the effective date of the retirement of the member of the Teacher Retirement System of Texas must have been on or before August 31, 2004;

(2) is a beneficiary under Section 824.402(a)(3) or (4) or 824.502, to be eligible for the adjustment:

(A) the annuitant must be living on the effective date of the adjustment; and

(B) the date of death of the member of the retirement system must have been on or before August 31, 2004; or

(3) is an alternate payee under Section 804.005, the annuitant is eligible for the adjustment only if the effective date of the election to receive the annuity payment was on or before August 31, 2004.

(d) An adjustment made under this section does not apply to payments under:

(1) Section 824.203(d), relating to retirees who receive a standard service retirement annuity in an amount fixed by statute;

(2) Section 824.304(a), relating to disability retirees with less than 10 years of service credit;

(3) Section 824.304(b)(2), relating to disability retirees who receive a disability annuity in an amount fixed by statute;

(4) Section 824.404(a), relating to active member survivor beneficiaries who receive a survivor annuity in an amount fixed by statute;

(5) Section 824.501(a), relating to retiree survivor beneficiaries who receive a survivor annuity in an amount fixed by statute; or

(6) Section 824.804(b), relating to participants in the deferred retirement option plan with regard to payments from their deferred retirement option plan accounts.

(e) An adjustment under this section:

(1) must be made beginning with an annuity payable for the month of September 2013; and

(2) is limited to the lesser of:

(A) an amount equal to three percent of the monthly benefit subject to the increase; or

(B) \$100 a month.

(f) The board of trustees shall determine the eligibility for and the amount of any adjustment in monthly annuities in accordance with this section.

Added by Acts 2013, 83rd Leg., R.S., Ch. 1214 (S.B. 1458), Sec. 2, eff. September 1, 2013.

Text of section effective on approval by the voters of H.J.R. 2,
88th Leg., R.S.

Sec. 824.703. COST-OF-LIVING ADJUSTMENT: JANUARY 2024.

(a) The retirement system shall make a one-time cost-of-living adjustment payable to annuitants receiving a monthly death or retirement benefit annuity, as provided by this section.

(b) Subject to Subsection (c) and except as provided by Subsection (d), to be eligible for the adjustment, a person must be, on the effective date of the adjustment and disregarding any forfeiture of benefits under Section 824.601, an annuitant eligible to receive:

(1) a standard service or disability retirement annuity payment;

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

(3) an annuity payment under Section 824.402(a)(3) or (4);

(4) an annuity payment under Section 824.502; or

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

(c) If the annuitant:

(1) is a retiree, or is a beneficiary under an optional service or disability retirement payment plan, to be eligible for the adjustment under this section:

(A) the annuitant must be living on the effective date of the adjustment; and

(B) the effective date of the retirement of the member of the retirement system on whose service the annuity is based must have been on or before August 31, 2020;

(2) is a beneficiary under Section 824.402(a)(3) or (4) or 824.502, to be eligible for the adjustment:

(A) the annuitant must be living on the effective date of the adjustment; and

(B) the date of death of the member of the

retirement system on whose service the annuity is based must have been on or before August 31, 2020; or

(3) is an alternate payee under Section 804.005, to be eligible for the adjustment:

(A) the annuitant must be living on the effective date of the adjustment; and

(B) the effective date of the annuitant's election to receive the annuity payment was on or before August 31, 2020.

(d) An adjustment made under this section does not apply to payments under:

(1) Section 824.203(d), relating to retirees who receive a standard service retirement annuity in an amount fixed by statute;

(2) Section 824.304(a), relating to disability retirees with less than 10 years of service credit;

(3) Section 824.304(b)(2), relating to disability retirees who receive a disability annuity in an amount fixed by statute;

(4) Section 824.404(a), relating to active member survivor beneficiaries who receive a survivor annuity in an amount fixed by statute;

(5) Section 824.501(a), relating to retiree survivor beneficiaries who receive a survivor annuity in an amount fixed by statute; or

(6) Section 824.804(b), relating to participants in the deferred retirement option plan with regard to payments from their deferred retirement option plan accounts.

(e) An adjustment under this section must be made beginning with an annuity payable for the month of January 2024.

(f) The amount of the adjustment provided under this section is calculated by multiplying the amount of the monthly benefit subject to the adjustment by the following percentage rate, as applicable:

(1) for annuitants described by Subsection (c)(1):

(A) if the retiree's effective date of retirement was on or before August 31, 2001, six percent;

(B) if the retiree's effective date of retirement was after August 31, 2001, but on or before August 31, 2013, four percent; and

(C) if the retiree's effective date of retirement was after August 31, 2013, but on or before August 31, 2020, two percent;

(2) for annuitants described by Subsection (c)(2):

(A) if the member's date of death was on or before August 31, 2001, six percent;

(B) if the member's date of death was after August 31, 2001, but on or before August 31, 2013, four percent; and

(C) if the member's date of death was after August 31, 2013, but on or before August 31, 2020, two percent; and

(3) for annuitants described by Subsection (c)(3):

(A) if the effective date of the annuitant's election was on or before August 31, 2001, six percent;

(B) if the effective date of the annuitant's election was after August 31, 2001, but on or before August 31, 2013, four percent; and

(C) if the effective date of the annuitant's election was after August 31, 2013, but on or before August 31, 2020, two percent.

(g) The board of trustees shall determine the eligibility for and the amount of any adjustment in monthly annuities in accordance with this section.

Added by Acts 2023, 88th Leg., R.S., Ch. 902 (S.B. 10), Sec. 1, eff. January 1, 2024.

SUBCHAPTER I. DEFERRED RETIREMENT OPTION PLAN

Sec. 824.801. DEFINITION. In this subchapter, "plan" means the deferred retirement option plan provided by this subchapter.

Added by Acts 1997, 75th Leg., ch. 1416, Sec. 21, eff. Sept. 1, 1997.

Sec. 824.8011. DEADLINE TO ELECT TO PARTICIPATE. A person must make an election to participate in the plan not later than

December 31, 2005.

Added by Acts 2005, 79th Leg., Ch. 1359 (S.B. 1691), Sec. 18, eff. September 1, 2005.

Sec. 824.802. PARTICIPATION IN PLAN. (a) A contributing member who is eligible under Section 824.202 to retire and receive a standard service retirement annuity that is not reduced for retirement at an early age and who has at least 25 years of service credit in the retirement system may, if the member remains an employee, elect to participate in the deferred retirement option plan.

(b) An election to participate in the plan must be on a form prescribed by and filed with the retirement system. An election may be made only once and must state the period that the member wishes to participate in the plan. The period must be a minimum of 12 consecutive months and be in 12-month increments. The maximum period a member may participate in the plan is 60 consecutive months. An election under this section is irrevocable after filing. The filing of an election under this section is not considered for any purpose an application for retirement, and a person is not considered a retiree for any purpose because of the filing.

(c) The effective date of a member's participation in the plan is the first day of the month after the month in which an election is received and approved by the retirement system. The retirement system shall approve the election filed by a member who is eligible to make the election.

Added by Acts 1997, 75th Leg., ch. 1416, Sec. 21, eff. Sept. 1, 1997.

Sec. 824.803. COMPUTATION OF PARTICIPANT'S SERVICE AND ANNUITY. (a) A person participating in the plan remains a member of the retirement system during the period of participation, unless the member terminates membership under Section 822.003, but the member may not, during participation, accrue additional service credit. The member shall make employee contributions to the retirement system, and the state and the member's employing

district, if applicable, shall make contributions for the member's service performed during the member's participation in the plan. Member contributions made during the period of participation in the plan are not eligible for withdrawal by the participant and are deposited in the retired reserve account. The member and the state retain the obligation to contribute under Sections [1575.202](#) and [1575.203](#), Insurance Code, during the member's participation in this plan.

(b) For purposes of the plan, the computation of the service retirement annuity of a member participating in the plan is determined as of the effective date of participation. A participating member is not eligible to receive a postretirement increase made applicable to annuitants during the member's participation in the plan.

(c) An election to participate in the plan constitutes a deadline for the purchase of special service credit.

Added by Acts 1997, 75th Leg., ch. 1416, Sec. 21, eff. Sept. 1, 1997. Amended by Acts 2003, 78th Leg., ch. 1276, Sec. 10A.522, eff. Sept. 1, 2003.

Sec. 824.804. BENEFITS UNDER PLAN. (a) On the effective date of a member's participation in the plan, the retirement system shall make the transfers required by Section [825.309](#) to the retired reserve account as if the member had retired on that date. The retirement system shall transfer monthly, during the period of the member's participation in the plan, from the retired reserve account to an account for the member in the deferred retirement option account an amount equal to:

(1) 60 percent of the amount the member would have received that month under a standard service retirement annuity if the member had retired under the multiplier currently in effect; or

(2) if the member began participation in the plan before September 1, 1999, 79 percent of the amount the member would have received that month under a standard service retirement annuity if the member had retired under the multiplier currently in effect.

(b) When a member who has participated in the plan retires

from the retirement system, the person is entitled to the accumulated amount in the member's account in the deferred retirement option account, including creditable interest. The amount is payable in a lump sum, in periodic installments, or as provided by Section 825.509, at the option of the member. The board of trustees by rule shall determine the number and frequency of installment payments.

(c) If a member dies during participation in the plan or after participation but before retirement, the decedent's designated beneficiary is entitled to the accumulated amount in the decedent's account in the deferred retirement option account, including creditable interest. The beneficiary is also entitled to a death benefit based on compensation and years of service on the effective date of participation in the plan and on age on the date of death.

(d) Payment of the benefit provided under the plan is in addition to any annuity otherwise payable under this subtitle. The retiring member may choose a DROP payment in accordance with the provisions of Section 825.509.

Added by Acts 1997, 75th Leg., ch. 1416, Sec. 21, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 1540, Sec. 15, eff. Sept. 1, 1999.

Sec. 824.805. TERMINATION OF PARTICIPATION IN PLAN. (a) Except as provided by Subsection (b), a member terminates participation in the plan by:

- (1) retirement;
- (2) death; or
- (3) expiration of the period for which participation was approved.

(b) This subsection applies only to a member participating in the plan on September 1, 2005, or to a member whose period of participation in the plan expired on or before September 1, 2005, but who has not retired on or before that date. A member described by this subsection may, before December 31, 2005, revoke the member's decision to participate in the plan on a form prescribed by and filed with the retirement system. The retirement system shall

make account transfers and change records for a member who revokes the member's decision to participate in the plan under this subsection as if the member had never participated in the plan.

(c) A member or beneficiary described by Subsection (d) may, on or before December 31, 2015, revoke the member's decision to participate in the plan on a form prescribed by and received by the retirement system not later than that date. The retirement system shall make account transfers and change records for a member whose decision to participate in the plan is revoked under this subsection, as if the member had never participated in the plan.

(d) Subsection (c) applies only to:

(1) a member:

(A) whose approved period of participation in the plan has expired; and

(B) who has not retired on or before December 31, 2015; or

(2) a beneficiary of a member whose approved period of participation in the plan has expired and who has not retired before death if:

(A) the beneficiary is eligible to receive both a distribution of benefits payable on the death of the member and the distributions from the plan; and

(B) the member dies on or after September 1, 2015.

Added by Acts 1997, 75th Leg., ch. 1416, Sec. 21, eff. Sept. 1, 1997. Amended by Acts 1999, 76th Leg., ch. 1540, Sec. 16, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 1229, Sec. 14, eff. Sept. 1, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 1359 (S.B. [1691](#)), Sec. 19, eff. September 1, 2005.

Acts 2015, 84th Leg., R.S., Ch. 164 (H.B. [1937](#)), Sec. 1, eff. September 1, 2015.

Sec. 824.806. BENEFITS FOR SERVICE AFTER PLAN PARTICIPATION. (a) Any eligible service credit accrued after termination of participation in the plan and before retirement

shall be credited in the retirement system.

(b) At the time a member retires or dies, the retirement system shall compute the value of the additional service credit at the rate provided under Section [824.203](#), based on the lesser of the three years of service after the member's termination of plan participation, or the member's actual years of service after the termination, in which the member received the highest annual compensation. The retirement system shall add the amount computed under this subsection to the amount determined on the effective date of plan participation, and the sum is payable, subject to actuarial reduction if applicable, as the monthly annuity payment. Added by Acts 1997, 75th Leg., ch. 1416, Sec. 21, eff. Sept. 1, 1997.

Sec. 824.807. INTEREST. Interest is creditable to a member's account in the deferred retirement option account at an annual, prorated rate equal to two percent during the period of participation in the plan and until all benefits are distributed. Added by Acts 1997, 75th Leg., ch. 1416, Sec. 21, eff. Sept. 1, 1997.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 1214 (S.B. [1458](#)), Sec. 3, eff. September 1, 2014.