

By: Allison, Cortez, Lujan, Bernal,
Lopez of Bexar, et al.

H.B. No. 2649

Substitute the following for H.B. No. 2649:

By: Capriglione

C.S.H.B. No. 2649

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the retirement system in certain municipalities for
3 firefighters and police officers.

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

5 SECTION 1. Sections 1.02(4-a), (5), (7), and (17), Chapter
6 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993
7 (Article 6243o, Vernon's Texas Civil Statutes), are amended to read
8 as follows:

9 (4-a) "Catastrophic injury" means, except as provided
10 by Section 5.03(a-2) of this Act, irreparable physical bodily
11 injury sustained by a member as a direct and immediate result of the
12 member's engaging in an activity that:

13 (A) constitutes the performance of the member's
14 duties as a firefighter or police officer;

15 (B) involves an extraordinary degree of risk of
16 bodily injury or death; and

17 (C) does not result in death.

18 (5) "Code" means the United States Internal Revenue
19 Code of 1986 or a successor statute, unless the context requires
20 otherwise.

21 (7) "Dependent child" means:

22 (A) a person who is less than 18 years of age and
23 is a natural or adopted child of a deceased member or deceased
24 retiree; or

1 (B) a person:

2 (i) who is at least 18 years of age;

3 (ii) who is mentally or physically disabled
4 to the extent that the person is not capable of being
5 self-supporting; and

6 (iii) whose natural or adoptive parent is a
7 deceased member or deceased retiree~~[, provided that, for the year~~
8 ~~immediately preceding the death of the member or retiree, the~~
9 ~~deceased member or retiree claimed the person as a dependent on the~~
10 ~~member's or retiree's federal income tax return]~~.

11 (17) "Total salary" means all salary of a member:

12 (A) including:

13 (i) amounts picked up by the municipality
14 under Section 4.04(b) of this Act; and

15 (ii) amounts that would be included in
16 salary but for an election under Section 125(d), 132(f)(4), 401(k),
17 402(e)(3), 402(h)(1)(B), or 457(b) of the code; and

18 (B) excluding~~[, except]~~:

19 (i) [(A)] overtime pay, field training
20 officer's pay, bomb squad pay, SWAT team pay, K-9 pay, and hostage
21 team pay; and

22 (ii) [(B)] pay for unused accrued vacation
23 and sick leave, holiday pay, compensatory time pay, and bonus days
24 leave, or any similar items of compensation that may be paid in the
25 future.

26 SECTION 2. Section 2.02, Chapter 824 (S.B. 817), Acts of the
27 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's

1 Texas Civil Statutes), is amended by amending Subsections (a) and
2 (b) and adding Subsection (b-1) to read as follows:

3 (a) The mayor of a municipality to which this Act applies,
4 or a qualified mayoral designee, serves on the board for the term of
5 the mayor's office, provided [except] that, if the mayor appoints a
6 qualified mayoral designee, the mayor may replace or remove that
7 qualified mayoral designee at the mayor's discretion, and the term
8 of the mayor or the mayor's qualified mayoral designee, as
9 applicable, on the board expires on the date the mayor ceases to be
10 mayor of the municipality for any reason. An individual designated
11 by the mayor to serve on the board under this subsection may only
12 serve on the board while the individual is a qualified mayoral
13 designee.

14 (b) The two members of the municipal governing body serve on
15 the board for the term of the office to which they are elected or
16 appointed, provided that the term of the member on the board expires
17 on the day the member ceases to be a member of the municipal
18 governing body for any reason.

19 (b-1) The governing body of a municipality shall fill a
20 vacancy on the board under Section 2.01(a)(2) of this Act in the
21 manner provided by Subsection (b) of this section.

22 SECTION 3. Section 3.01(a), Chapter 824 (S.B. 817), Acts of
23 the 73rd Legislature, Regular Session, 1993 (Article 6243o,
24 Vernon's Texas Civil Statutes), is amended to read as follows:

25 (a) The board has complete authority and power to:

26 (1) administer the fund for the exclusive benefit of
27 all members, retirees, and beneficiaries;

1 (2) disburse benefits or otherwise order payments from
2 the fund as required by this Act;

3 (3) control the fund independently;

4 (4) conduct all litigation on behalf of the fund; and

5 (5) purchase with fund assets from one or more
6 insurers licensed to do business in this state one or more insurance
7 policies that provide for reimbursement of the fund and any
8 trustee, officer, or employee of the board for liability imposed or
9 damages because of an alleged act, error, or omission committed in
10 the trustee's, officer's, or employee's capacity as a fiduciary
11 officer or employee of the fund and for costs and expenses incurred
12 as a trustee, officer, or employee in defense of a claim for an
13 alleged act, error, or omission, as long as the insurance policy
14 does not provide for reimbursement of a trustee, officer, or
15 employee for liability imposed or expenses incurred because of the
16 trustee's, officer's, or employee's personal dishonesty, fraud,
17 lack of good faith, or intentional failure to act prudently.

18 SECTION 4. The heading to Section 3.03, Chapter 824 (S.B.
19 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article
20 [62430](#), Vernon's Texas Civil Statutes), is amended to read as
21 follows:

22 Sec. 3.03. [~~ORDERS FOR~~] DISBURSEMENTS OF BENEFITS.

23 SECTION 5. Section 3.03(b), Chapter 824 (S.B. 817), Acts of
24 the 73rd Legislature, Regular Session, 1993 (Article [62430](#),
25 Vernon's Texas Civil Statutes), is amended to read as follows:

26 (b) Disbursements of benefits may not be made without a
27 record vote of the board.

1 SECTION 6. Section 4.03, Chapter 824 (S.B. 817), Acts of the
2 73rd Legislature, Regular Session, 1993 (Article ~~6243o~~, Vernon's
3 Texas Civil Statutes), is amended by amending Subsections (b), (c),
4 and (f) and adding Subsections (f-1) and (i) to read as follows:

5 (b) Subject to Subsections (c) and (e) of this section, a
6 ~~[Not later than the 90th day after the date of the member's~~
7 ~~reinstatement to an active status in the fire or police department,~~
8 ~~the]~~ member may restore credit not established during the period
9 the member was engaged in active service in any uniformed service by
10 paying ~~[must file with the secretary of the board a written~~
11 ~~statement of intent to pay]~~ into the fund an amount equal to what
12 the member would have paid during that period if the member had
13 remained on active status in the fire or police department ~~[during~~
14 ~~the period of the member's absence in the uniformed service].~~

15 (c) The member must make the payment described by Subsection
16 (b) of this section in full within an amount of time after the
17 member's return to active status in the fire or police department
18 that is equal to three times the amount of time the member was
19 engaged in active service with the uniformed service ~~[absent]~~,
20 except that the maximum period for payment may not exceed five
21 years.

22 (f) If a ~~[person who became a]~~ member ~~[before October 1,~~
23 ~~1997]~~ does not make the payment authorized ~~[required]~~ under
24 Subsection (b) ~~[(c)]~~ of this section within the ~~[required amount~~
25 ~~of]~~ time prescribed by Subsection (c) of this section and the member
26 would otherwise be eligible for credit under federal law, the
27 member may receive credit for the uniformed service if:

1 (1) the board determines that the member had good
2 cause for not complying with Subsection (b) or (c) of this section;
3 and

4 (2) the member [~~also~~] pays interest, compounded
5 annually, on the then current rate of a member's contribution from
6 the date the payment was required to the date the payment was made.

7 (f-1) The board shall set the rate of interest for purposes
8 of Subsection (f)(2) of this section.

9 (i) The survivors of a member of the fund who dies while
10 performing qualified military service, as defined in Section 414(u)
11 of the code, are entitled to any additional benefits, other than
12 benefit accruals relating to the period of qualified military
13 service, that would have been provided if the member had returned to
14 active status in the fire or police department and then terminated
15 employment as the result of death.

16 SECTION 7. Section 5.03, Chapter 824 (S.B. 817), Acts of the
17 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's
18 Texas Civil Statutes), is amended by amending Subsections (a),
19 (a-1), (c), and (d) and adding Subsection (a-3) to read as follows:

20 (a) An active member of the fund who is not eligible to
21 receive a catastrophic injury disability annuity under Subsection
22 (a-1) of this section is eligible to retire and receive a regular
23 disability retirement annuity only if the member:

24 (1) makes a written application for regular disability
25 retirement with the board;

26 (2) establishes to the satisfaction of the board that
27 the member is permanently disabled through injury or disease so as

1 to be unable to perform the duties of any available position in the
2 department and, unless waived by the board, has been off active duty
3 because of that injury or disease for a continuous period of not
4 less than the 30 days preceding [~~before~~] the date of the application
5 for disability retirement;

6 (3) has had all member contributions required by this
7 Act made on the member's behalf;

8 (4) is not disqualified from receiving a disability
9 retirement annuity under [~~on indefinite suspension as described in~~]
10 Subsection (d) of this section; and

11 (5) has authorized the release to the board of all
12 medical records dated on or after the date of initial application
13 for employment with the department.

14 (a-1) An active member of the fund is eligible to retire and
15 receive a catastrophic injury disability retirement annuity only if
16 the member:

17 (1) makes a written application for catastrophic
18 injury disability retirement with the board;

19 (2) establishes to the satisfaction of the board that
20 the member is permanently so disabled as a result of a catastrophic
21 injury as to:

22 (A) be unable to secure any type of third-party
23 employment, or engage in any self-employment, other than sporadic
24 third-party or self-employment; and

25 (B) have, as a result of the lack of third-party
26 employment or self-employment, an annual income less than the
27 poverty level for one person in the 48 contiguous states of the

1 United States as provided under the poverty guidelines published
2 from time to time by the United States Department of Health and
3 Human Services, or similar guidelines selected by the board;

4 (3) has had all member contributions required by this
5 Act made on the member's behalf;

6 (4) is not disqualified from receiving a disability
7 retirement annuity under [~~on indefinite suspension as described in~~]
8 Subsection (d) of this section; and

9 (5) has authorized the release to the board of all
10 medical records dated on or after the date of initial application
11 for employment with the department.

12 (a-3) In making any determination under this section, the
13 board may consider or require any evidence the board considers
14 necessary or appropriate to make the determination.

15 (c) A [~~Except as provided by Subsection (d) of this section,~~
16 ~~a]~~ member [~~of the fund~~] who is on suspension for a specific period,
17 including a member whose indefinite suspension is reversed or
18 modified to a suspension for a specific period, and who becomes
19 disabled as a result of an injury sustained or disease contracted
20 while the member is on suspension is eligible for a disability
21 retirement annuity under Subsection (a) or (a-1) of this section,
22 as applicable, only if the suspended member makes up each
23 [~~deducted~~] contribution to the fund not made by the member [~~lost~~] by
24 reason of the suspension not later than the 30th day after the later
25 of the termination date of the suspension or the date the suspension
26 becomes final in accordance with Section 6.105 of this Act
27 [~~exhaustion of any appeal with respect to the suspension~~]. A

1 municipality to which this Act applies shall double-match all
2 contributions made by a member under this subsection.

3 (d) A member of the fund who is on indefinite suspension,
4 excluding an indefinite suspension reversed or modified to be a
5 suspension for a specific period, that becomes [~~is not eligible for~~
6 ~~a disability retirement annuity until the~~] final in accordance with
7 Section 6.105 of this Act or who is terminated by the municipality,
8 [~~determination of the suspension and all appeals of that~~
9 ~~determination are exhausted. A member of the fund who is on~~
10 ~~indefinite suspension~~] is not entitled to a disability retirement
11 annuity [~~if the member is finally discharged~~]. [~~A member of the~~
12 ~~fund who is on indefinite suspension but who is restored to duty or~~
13 ~~who is given a suspension for a specific period is eligible for a~~
14 ~~disability retirement annuity as provided by Subsection (a) of this~~
15 ~~section.~~]

16 SECTION 8. Sections 5.04(a) and (a-1), Chapter 824 (S.B.
17 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article
18 [6243o](#), Vernon's Texas Civil Statutes), are amended to read as
19 follows:

20 (a) A member who is eligible to retire and receive a
21 disability retirement annuity under Section 5.03(a) of this Act is
22 entitled to receive an annuity from the fund equal to:

23 (1) 50 percent of the member's average total salary, if
24 the member has served three years or more before the date of
25 retirement;

26 (2) 50 percent of the member's average monthly total
27 salary as of the date of retirement multiplied by 12, if the member

1 has served at least two months and less than three years before the
2 date of retirement; or

3 (3) 50 percent of the member's average daily total
4 salary as of the date of retirement multiplied by 360, if the member
5 has served less than two months before the date of retirement.

6 (a-1) Subject to Subsection (a-2) of this section a member
7 who is eligible to retire and receive a catastrophic injury
8 disability retirement annuity under Section 5.03(a-1) of this Act
9 is entitled to receive an annuity from the fund equal to:

10 (1) 87.5 percent of the member's average total salary,
11 if the member has served three years or more before the date of
12 retirement;

13 (2) 87.5 percent of the member's average monthly total
14 salary as of the date of retirement multiplied by 12, if the member
15 has served at least two months and less than three years before the
16 date of retirement; or

17 (3) 87.5 percent of the member's average daily total
18 salary as of the date of retirement multiplied by 360, if the member
19 has served less than two months before the date of retirement.

20 SECTION 9. Sections 5.05(a-1), (a-3), (c), and (c-1),
21 Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular
22 Session, 1993 (Article [6243o](#), Vernon's Texas Civil Statutes), are
23 amended to read as follows:

24 (a-1) A disability retiree who is awarded a catastrophic
25 injury disability annuity under Section 5.03(a-1) of this Act
26 shall, if required by the board, undergo a medical examination by
27 any reputable physician or physicians selected by the board:

1 (1) not later than 60 months after the date of the
2 award of the annuity by the board; and

3 (2) thereafter, not later than 60 months following the
4 last required medical examination of the disability retiree under
5 this subsection.

6 (a-3) Subject to Subsections (b) and ~~[Subsection]~~ (c) of
7 this section, based on an examination under Subsection
8 ~~[Subsections]~~ (a), (a-1), or (a-2) of this section, the board shall
9 determine whether the disability retirement annuity shall be
10 continued, decreased, restored to the original amount if it had
11 been decreased, or discontinued.

12 (c) For those retired because of disability on or after
13 August 30, 1971, the disability retirement annuity may not, except
14 in the case of discontinuance, be reduced to an amount that is less
15 than the product of:

16 (1) 2.25 percent multiplied by the number of years
17 that the retiree served in the department and contributed a portion
18 of salary as a member of the fund multiplied by the retiree's
19 average total salary, if the retiree served three years or more
20 before the date of retirement;

21 (2) 2.25 percent multiplied by the number of years
22 that the retiree served in the department and contributed a portion
23 of salary as a member of the fund multiplied by the retiree's
24 average monthly total salary as of the date of retirement
25 multiplied by 12, if the retiree served at least two months and less
26 than three years before the date of retirement; or

27 (3) 2.25 percent multiplied by the number of years

1 that the retiree served in the department and contributed a portion
2 of salary as a member of the fund multiplied by the retiree's
3 average daily total salary as of the date of retirement multiplied
4 by 360, if the member has served less than two months before the
5 date of retirement.

6 (c-1) In making the computation under Subsections (b) and
7 [~~Subsection~~] (c) of this section, all fractional years shall be
8 prorated based on full months served in the department as a
9 contributing member of the fund before the date of retirement.

10 SECTION 10. The heading to Section 5.07, Chapter 824 (S.B.
11 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article
12 6243o, Vernon's Texas Civil Statutes), is amended to read as
13 follows:

14 Sec. 5.07. OUTSIDE INCOME PENSION SUSPENSION OR REDUCTION.

15 SECTION 11. Section 5.07, Chapter 824 (S.B. 817), Acts of
16 the 73rd Legislature, Regular Session, 1993 (Article 6243o,
17 Vernon's Texas Civil Statutes), is amended by adding Subsections
18 (a-1) and (c) and amending Subsection (b) to read as follows:

19 (a-1) If a retiree fails to provide an income tax return to
20 the board under Subsection (a) of this section, the board may
21 suspend the retiree's disability retirement annuity until the
22 retiree provides the required income tax return.

23 (b) Subject to Subsection (c) of this section, if [~~if~~] the
24 retiree received income from other employment, including
25 self-employment, during the preceding year, the board may reduce
26 the retiree's disability retirement annuity by the amount of \$1 for
27 each month for each \$2 of income earned by the retiree from the

1 other employment during each month of the previous year, except
2 that the disability retirement annuity may not be decreased below
3 the amount determined under Section 5.05(c) of this Act.

4 (c) The board may restore a disability retirement annuity
5 that has been reduced under Subsection (b) of this section. The
6 amount of the restored annuity must be the same as the amount of the
7 annuity before the reduction plus any applicable cost-of-living
8 increases under Section 5.09 of this Act that occurred during the
9 period the annuity was reduced. This subsection does not require
10 the board to allow or deny cost-of-living increases in any other
11 circumstances.

12 SECTION 12. Section 5.10, Chapter 824 (S.B. 817), Acts of
13 the 73rd Legislature, Regular Session, 1993 (Article 6243o,
14 Vernon's Texas Civil Statutes), is amended by amending Subsections
15 (b), (c), (d), (f), and (j) and adding Subsections (b-1) and (d-1)
16 to read as follows:

17 (b) A distributee may elect, at the time and in the manner
18 prescribed by the board, to have any portion of an eligible rollover
19 distribution paid directly to an eligible retirement plan specified
20 by the distributee in a direct rollover. [~~Any member or beneficiary~~
21 ~~who is entitled to receive any distribution that is an eligible~~
22 ~~rollover distribution as defined by Section 402(c)(4) of the code~~
23 ~~is entitled to have that distribution transferred directly to~~
24 ~~another eligible retirement plan of the member's or beneficiary's~~
25 ~~choice on providing direction to the fund regarding that transfer~~
26 ~~in accordance with procedures established by the board.]~~

27 (b-1) For purposes of this subsection and Subsection (b) of

1 this section:

2 (1) "Direct rollover" means a payment by the fund to
3 the eligible retirement plan specified by a distributee.

4 (2) "Distributee" means a member or former member.
5 The term includes a member's or former member's surviving spouse or
6 designated beneficiary and a member's or former member's spouse or
7 former spouse who is the alternate payee under a qualified domestic
8 relations order, as defined by Section 414(p) of the code, with
9 regard to the interest of the spouse or former spouse.

10 (3) "Eligible retirement plan" means:

11 (A) an individual retirement account described
12 by Section 408(a) of the code;

13 (B) an individual retirement annuity described
14 by Section 408(b) of the code;

15 (C) a qualified annuity plan described by Section
16 403(a) of the code;

17 (D) a qualified trust described by Section 401(a)
18 of the code;

19 (E) an eligible deferred compensation plan
20 described by Section 457(b) of the code that is maintained by an
21 eligible employer described by Section 457(e)(1)(A) of the code;

22 (F) an annuity contract described by Section
23 403(b) of the code that accepts the distributee's eligible rollover
24 distribution; or

25 (G) in the case of an eligible rollover
26 distribution to a designated beneficiary who is not the surviving
27 spouse, or the spouse or former spouse under a qualified domestic

1 relations order, an individual retirement account or individual
2 retirement annuity only.

3 (4) "Eligible rollover distribution" means a
4 distribution of all or any portion of the balance to the credit of
5 the distributee. The term does not include:

6 (A) a distribution that is one of a series of
7 substantially equal periodic payments, paid not less frequently
8 than once a year, made over the life or life expectancy of the
9 distributee or the joint lives or joint life expectancies of the
10 distributee and the distributee's designated beneficiary;

11 (B) a series of payments for a specified period
12 of 10 years or more;

13 (C) a distribution to the extent the distribution
14 is required under Section 401(a)(9) of the code; or

15 (D) the portion of a distribution that is not
16 includable in gross income, unless the distributee directs that the
17 eligible rollover distribution be transferred directly to a
18 qualified trust that is part of a defined contribution plan that
19 agrees to separately account for the portion that is includable in
20 gross income and the portion that is not or to an individual
21 retirement account or individual annuity.

22 (c) The total salary taken into account for any purpose
23 under this Act [~~for any member of the fund~~] may not exceed the
24 annual compensation limitation under Section 401(a)(17) of the
25 code, effective January 1, 2017, which is \$405,000 [~~\$200,000 per~~
26 ~~year~~] for an eligible member [~~participant~~] or \$270,000 [~~\$150,000~~
27 ~~per year~~] for an ineligible member [~~participant~~]. For purposes of

1 this subsection, an eligible member is any employee who first
2 became a member before 1996 and an ineligible member is any other
3 member. The ~~[These]~~ dollar limits shall be ~~[periodically]~~ adjusted
4 annually for cost-of-living increases as provided by Section
5 401(a)(17) of the code ~~[in accordance with guidelines provided by~~
6 ~~the United States secretary of the treasury. For purposes of this~~
7 ~~subsection, an eligible participant is any person who first became~~
8 ~~a member before 1996, and an ineligible participant is any member~~
9 ~~who is not an eligible participant].~~

10 (d) Accrued benefits under this Act become 100 percent
11 vested for a member on the earlier of:

12 (1) the date the member attains normal retirement age
13 ~~[has completed 20 years of service];~~

14 (2) the earlier termination or partial termination of
15 the pension plan created by this Act, if it affects the member; or

16 (3) the complete discontinuance of contributions by
17 the municipality to the fund.

18 (d-1) For purposes of Subsection (d)(1) of this section,
19 "normal retirement age" means the age at which a member is entitled
20 to receive a service retirement benefit without reduction because
21 of age.

22 (f) Distribution of benefits must:

23 (1) begin not later than April 1 of the year following
24 the later of the calendar year in ~~[during]~~ which the member:

25 (A) becomes 70-1/2 years of age; or

26 (B) retires; and

27 (2) [must] otherwise conform to Section 401(a)(9) of

1 the code and the regulations adopted under that section of the code,
2 including regulations governing the incidental death benefit
3 distribution requirements.

4 (j) Notwithstanding any other provision of this Act, the
5 limitations on benefits imposed by Section 415 of the code and
6 Subsection (a) of this section must be adjusted each year to the
7 extent permitted by cost-of-living increases announced by the
8 secretary of the treasury under Section 415(d) of the code and
9 applicable law. A cost-of-living increase described by this
10 subsection applies to members who have terminated employment,
11 including members who have begun receiving benefits before the
12 effective date of the increase, and any benefits previously denied.
13 Benefits paid to make up for benefits previously denied are
14 considered the delayed payment of benefits earned before retirement
15 and not extra compensation earned after retirement. [To the extent
16 permitted by law, the board may adjust the benefits of retired
17 members and beneficiaries by increasing any retirement benefit that
18 was reduced because of Section 415 of the code. If Section 415 of
19 the code is amended to permit the payment of amounts previously
20 precluded under Section 415 of the code, the board may adjust the
21 benefits of retired members and beneficiaries, including the
22 restoration of benefits previously denied. Benefits paid under
23 this subsection are not considered as extra compensation earned
24 after retirement but as the delayed payment of benefits earned
25 before retirement.]

26 SECTION 13. Section 5.11, Chapter 824 (S.B. 817), Acts of
27 the 73rd Legislature, Regular Session, 1993 (Article 6243o,

1 Vernon's Texas Civil Statutes), is amended by adding Subsection
2 (b-1) to read as follows:

3 (b-1) If a retiree is entitled to receive a 13th check in
4 accordance with Subsection (b) of this section, but dies before
5 payment of the 13th check and has no surviving spouse or dependent
6 child, the 13th check shall be paid to the retiree's estate.

7 SECTION 14. Section 5.12, Chapter 824 (S.B. 817), Acts of
8 the 73rd Legislature, Regular Session, 1993 (Article 6243o,
9 Vernon's Texas Civil Statutes), is amended by adding Subsection
10 (c-1) to read as follows:

11 (c-1) If a retiree is entitled to receive a 14th check in
12 accordance with Subsection (c) of this section, but dies before
13 payment of the 14th check and has no surviving spouse or dependent
14 child, the 14th check shall be paid to the retiree's estate.

15 SECTION 15. Section 6.01(b), Chapter 824 (S.B. 817), Acts
16 of the 73rd Legislature, Regular Session, 1993 (Article 6243o,
17 Vernon's Texas Civil Statutes), is amended to read as follows:

18 (b) Subject to the applicable provisions of this Act,
19 including Section 6.02(j) of this Act, a [A] dependent child is
20 entitled to receive benefits based on the service of any parent who
21 is a member of the fund.

22 SECTION 16. Section 6.02, Chapter 824 (S.B. 817), Acts of
23 the 73rd Legislature, Regular Session, 1993 (Article 6243o,
24 Vernon's Texas Civil Statutes), is amended by amending Subsections
25 (a), (d), (d-2), (e), (f), (g), and (j) and adding Subsections (a-1)
26 and (c-1) to read as follows:

27 (a) Subject to Section 6.03 of this Act and the provisions

1 of this section, if a member [~~or retiree receiving a disability~~
2 ~~pension under Section 5.03(a) of this Act~~] dies leaving a surviving
3 spouse or at least one dependent child, the surviving spouse and the
4 children are entitled to receive from the fund an aggregate death
5 benefit annuity, computed and payable from the date of the member's
6 death. The surviving spouse may elect the annuity in an amount
7 that is equal to either:

8 (1) 75 [~~50~~] percent of the member's average total
9 salary; or

10 (2) the same percentage of the member's average total
11 salary that the member would have been entitled to receive as a
12 retirement annuity if the member could have retired on the date of
13 death.

14 (a-1) This subsection applies only to a death benefit
15 annuity payable under Subsection (a) of this section on August 31,
16 2023, that is based on the service of a member who died after
17 September 1, 2005, but before September 1, 2023. If the amount of a
18 death benefit annuity subject to this section is less than 75
19 percent of the member's average total salary, excluding any
20 applicable cost-of-living increases to the annuity under Section
21 5.09 of this Act, and the member's surviving spouse did not elect to
22 receive a portion of the benefit in a lump-sum payment under Section
23 6.14 of this Act, the amount of the annuity shall increase beginning
24 on September 1, 2023, to an amount equal to 75 percent of the
25 member's average total salary plus the amount of any cost-of-living
26 increases provided under Section 5.09 of this Act. A member's
27 surviving spouse or dependent child who is receiving an annuity

1 subject to this section is not entitled to any additional payment
2 under this subsection for the period before September 1, 2023.

3 (c-1) Subject to the provisions of this section, if a
4 retiree receiving a disability pension under Section 5.03(a) of
5 this Act dies leaving a surviving spouse or at least one dependent
6 child, the surviving spouse and dependent children are entitled to
7 receive from the fund an aggregate death benefit annuity, computed
8 and payable from the date of the retiree's death, equal to 50
9 percent of the retiree's average total salary as of the date of
10 retirement.

11 (d) Subject to Subsection (d-2) of this section, if, at the
12 time a death benefit annuity becomes payable under Subsection (a),
13 ~~or~~ (c), or (c-1) of this section, the deceased member or retiree
14 leaves a surviving spouse and at least one dependent child, the
15 board shall award:

16 (1) 75 percent of the annuity to the surviving spouse;

17 and

18 (2) 25 percent of the annuity:

19 (A) to the dependent child, if there is only one;

20 or

21 (B) if there is more than one dependent child, in
22 equal shares to each child.

23 (d-2) If, at the time a death benefit annuity becomes
24 payable under Subsection (a), ~~or~~ (c), or (c-1) of this section, a
25 ~~deceased member or~~ retiree leaves a surviving spouse who is not
26 entitled to an annuity on the date of the retiree's death under
27 Subsection (g-1) of this section as the result of Subsection (g-3)

1 of this section and the deceased retiree has one or more dependent
2 children, the dependent child or children shall be awarded 100
3 percent of the death benefit annuity until the annuity to the
4 surviving spouse becomes payable [~~effective~~] under Subsection
5 (g-3) of this section.

6 (e) If, at the time a death benefit annuity under Subsection
7 (a), ~~or~~ (c), or (c-1) of this section becomes payable, the
8 deceased leaves a surviving spouse and no dependent child, the
9 board shall award the annuity to the surviving spouse.

10 (f) If, at the time a death benefit annuity under Subsection
11 (a), ~~or~~ (c), or (c-1) of this section becomes payable, the
12 deceased leaves no surviving spouse and at least one dependent
13 child, the board shall award the annuity:

- 14 (1) to the dependent child, if there is only one; or
15 (2) if there is more than one child, in equal shares to
16 each child.

17 (g) A child who is adopted after the date of retirement of
18 the member is not entitled to a death benefit annuity under this
19 Act. A child who is born after the date of retirement of the member
20 is not entitled to a death benefit annuity under this Act unless the
21 retiree was married to the other parent of the child on the date of
22 retirement. A surviving spouse of a retiree whose status as a
23 surviving spouse resulted from a marriage after the date of the
24 retirement of the retiree is entitled to receive only the benefits,
25 if any, provided under Subsection (g-1) of this section or Section
26 6.08 of this Act.

27 (j) A dependent child as defined by Section 1.02(7)(B) of

1 this Act has the same rights as a dependent child as defined by
2 Section 1.02(7)(A) of this Act, except that any death benefit
3 annuity paid under this section [~~subsection~~] to a dependent child
4 as defined by Section 1.02(7)(B) of this Act may, at the discretion
5 of the board, be reduced to the extent of any state pension or aid,
6 including Medicaid, or any state-funded assistance received by the
7 child, regardless of whether the funds were made available to the
8 state by the federal government. In no other instance under this Act
9 is a child entitled to any benefit after becoming 18 years of age.

10 SECTION 17. Section 6.03, Chapter 824 (S.B. 817), Acts of
11 the 73rd Legislature, Regular Session, 1993 (Article 6243o,
12 Vernon's Texas Civil Statutes), is amended to read as follows:

13 Sec. 6.03. DEATH BENEFIT ANNUITY FOR SPOUSE AND CHILDREN OF
14 MEMBER KILLED IN LINE OF DUTY. (a) The death benefit annuity of a
15 surviving spouse and any dependent child of a member of the fund who
16 is killed in the line of duty is governed by this section.

17 (a-1) A member of the fund is considered to have been killed
18 in the line of duty if the member's death directly resulted from
19 traumatic injury sustained while engaging in or conducting
20 simulated training of a law enforcement activity, fire suppression
21 activity, rescue, hazardous material response, emergency medical
22 services, disaster relief, or other emergency response activity.
23 For purposes of this subsection, "traumatic injury" means severe
24 physical injury of sudden onset and of a life-ending or
25 life-threatening nature.

26 (b) [~~The board shall consider the finding of a municipality~~
27 ~~to which this Act applies that a member was killed in the line of~~

1 ~~duty as a guideline for its determination in applying this~~
2 ~~section.]~~ On an application for survivor's benefits by a surviving
3 spouse or dependent child, the fund shall pay the normal benefits
4 payable under Section 6.02 of this Act. When a benefit is payable
5 under this section, the death benefit annuity shall be recomputed,
6 applying Subsection (c) of this section, and any deficiency payment
7 shall be paid to the eligible beneficiaries.

8 (c) Notwithstanding the formulas for computing the total
9 amounts of annuities otherwise provided by this Act, if a member is
10 killed in the line of duty, the member's surviving spouse and
11 dependent children are entitled to a death benefit annuity equal
12 to:

13 (1) the total salary [of] the member received during
14 the 12-month period before the date of the member's death, if the
15 member served 12 months or more before the date of the member's
16 death;

17 (2) the average monthly total salary the member
18 received before the date of the member's death multiplied by 12, if
19 the member served at least two months and less than 12 months before
20 the date of the member's death; or

21 (3) the average daily total salary the member received
22 before the date of the member's death multiplied by 360, if the
23 member served less than two months before the date of the member's
24 death [at the time of death].

25 (d) The provisions of this Act [Rules provided by this
26 section] relating to qualification and disqualification for and
27 apportionment of benefits apply to a death benefit annuity computed

1 under this section [~~subsection~~]. A death benefit annuity computed
 2 under this section [~~subsection~~] is divided in the manner described
 3 by Section 6.02 of this Act and is subject to the same
 4 cost-of-living adjustments that apply to annuities [~~pensions~~] for
 5 service retirement.

6 SECTION 18. Section 6.04, Chapter 824 (S.B. 817), Acts of
 7 the 73rd Legislature, Regular Session, 1993 (Article 6243o,
 8 Vernon's Texas Civil Statutes), is amended to read as follows:

9 Sec. 6.04. EFFECT OF MARRIAGE ON [~~REMARriage,~~] BENEFITS
 10 [~~AFTER TERMINATION OF MARRIAGE~~]. (a) Except as provided by
 11 Subsection (e) of this section, the [~~The~~] right of a surviving
 12 spouse or dependent child to annuity payments under this Act is not
 13 affected by the surviving spouse's marriage [~~remarriage~~] or
 14 dependent child's marriage under either statutory or common law if
 15 the marriage [~~or remarriage~~] takes place on or after October 1,
 16 1995.

17 (b) This subsection applies to a surviving spouse or
 18 dependent child whose marriage under either statutory or common law
 19 took place before October 1, 1995, and resulted in a termination of
 20 benefits under the law in effect at the time of the marriage.
 21 Subject to Subsection (d) of this section and except as provided by
 22 Subsection (e) of this section, if on [~~If after~~] October 1, 1995,
 23 the surviving spouse or dependent child is unmarried or if after
 24 October 1, 1995, there is a termination of the marriage
 25 [~~remarriage~~] of a surviving spouse or [~~of the marriage of a~~]
 26 dependent child, the surviving spouse or dependent child, as
 27 applicable, [~~that person~~] is entitled, on application, to 100

1 percent of the annuity that was in effect on the date of the
2 termination of benefits, payable from the date of the termination
3 of the marriage. A surviving spouse or dependent child entitled to
4 an annuity under this subsection is also entitled to any applicable
5 cost-of-living increases under Section 5.09 of this Act that
6 occurred on or after the date the marriage terminated.

7 ~~[(c) A surviving spouse or dependent child who is unmarried~~
8 ~~but receiving reduced benefits because of a prior marriage that~~
9 ~~caused the benefits to be terminated is entitled to 100 percent of~~
10 ~~the annuity that was in effect on the original date of termination~~
11 ~~of benefits.]~~

12 (d) The benefit provided under Subsection ~~[Subsections]~~ (b)
13 ~~[and (c)]~~ of this section shall be provided prospectively beginning
14 October 1, 1995, and the surviving spouse or dependent child is not
15 entitled to receive any benefits or increases in benefits relating
16 to any period before October 1, 1995.

17 (e) A person must be living at the time of application to be
18 eligible for benefits under this section.

19 SECTION 19. Section 6.06, Chapter 824 (S.B. 817), Acts of
20 the 73rd Legislature, Regular Session, 1993 (Article 6243o,
21 Vernon's Texas Civil Statutes), is amended to read as follows:

22 Sec. 6.06. COMMON-LAW MARRIAGES. Common-law marriages are
23 not recognized under this Act and benefits may not be conferred on
24 common-law spouses as beneficiaries unless a declaration of
25 informal marriage was made and recorded under Sections 2.402 and
26 2.404, Family Code, and their subsequent amendments, or any
27 successor statutes, before the member's death. The date the

1 declaration of informal marriage is recorded under Section 2.404,
2 Family Code, is the date of marriage for the purpose of determining
3 whether any benefit is to be awarded to a surviving common-law
4 spouse as a beneficiary under this Act.

5 SECTION 20. Section 6.09(b), Chapter 824 (S.B. 817), Acts
6 of the 73rd Legislature, Regular Session, 1993 (Article 6243o,
7 Vernon's Texas Civil Statutes), is amended to read as follows:

8 (b) An application for benefits under Subsection (a) of this
9 section must be accompanied by a copy of the deceased member's or
10 retiree's tax return filed for the last year ending before the
11 member's or retiree's death or an explanation satisfactory to the
12 board of why the tax return cannot be provided. The board may, on
13 its own initiative, make a thorough investigation, determine the
14 facts as to the dependency with respect to an application for
15 benefits made under Subsection (a) of this section, and at any time,
16 on the request of any beneficiary or any contributor to the fund,
17 reopen any award made to any member or dependent of any member who
18 is receiving annuity payments under this section and discontinue
19 those payments as to all or any of them. ~~[The findings of the board~~
20 ~~under this section and all annuities granted under this section are~~
21 ~~final on all parties unless set aside or revoked by a court of~~
22 ~~competent jurisdiction.]~~

23 SECTION 21. Section 6.10, Chapter 824 (S.B. 817), Acts of
24 the 73rd Legislature, Regular Session, 1993 (Article 6243o,
25 Vernon's Texas Civil Statutes), is amended to read as follows:

26 Sec. 6.10. SUSPENSION RIGHTS. (a) Except as provided by
27 Subsection (b) of this section, if ~~if~~ a member dies who is on

1 ~~[under]~~ suspension at the time of the member's death, ~~[including an~~
2 ~~indefinite suspension that has not become final,]~~ the member's
3 beneficiary has ~~[beneficiaries have]~~ the same rights as the
4 beneficiaries of any other member under this Act.

5 (b) If a member dies who is on indefinite suspension that
6 has not become final as of the date of the member's death, the
7 member's beneficiary has the same rights as the beneficiaries of
8 any other member under this Act in accordance with Subsection (a) of
9 this section only if the member's beneficiary provides sufficient
10 evidence to the board to establish to the board's satisfaction
11 that:

12 (1) an administrative appeal of the indefinite
13 suspension to the municipality was being actively pursued at the
14 time of death; and

15 (2) the member had a reasonable chance of having the
16 indefinite suspension reversed or modified to be a suspension for a
17 specific period.

18 SECTION 22. Chapter 824 (S.B. 817), Acts of the 73rd
19 Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas
20 Civil Statutes), is amended by adding Section 6.105 to read as
21 follows:

22 Sec. 6.105. DATE SUSPENSION FINAL. For purposes of this
23 Act, an indefinite suspension or a suspension for a specific period
24 becomes final on the date:

25 (1) any administrative appeal of the suspension to the
26 municipality has been finally adjudicated by the municipality; or

27 (2) if no administrative appeal of the suspension is

1 made to the municipality, after the last day of the period for
2 initiating an administrative appeal has elapsed.

3 SECTION 23. Section 6.12, Chapter 824 (S.B. 817), Acts of
4 the 73rd Legislature, Regular Session, 1993 (Article 6243o,
5 Vernon's Texas Civil Statutes), is amended by amending Subsection
6 (b) and adding Subsection (c) to read as follows:

7 (b) The amount of the 13th or 14th check is equal to the
8 amount of the annuity payment made in the last month of the
9 preceding fiscal year, except the amount of the check shall be
10 prorated for any beneficiary of:

11 (1) a member who died during the fiscal year preceding
12 the fiscal year in which the check is disbursed [~~who has been~~
13 ~~receiving an annuity for less than one year~~] so that the amount of
14 the check is one-twelfth of the check that would have been paid to
15 the beneficiary receiving an annuity for a full year times the
16 number of full months an annuity has been paid; or

17 (2) a retiree who retired and died during the fiscal
18 year preceding the fiscal year in which the check is disbursed so
19 that the amount of the check is one-twelfth of the check that would
20 have been paid to the beneficiary receiving an annuity for a full
21 year times the number of full months from the date of the retiree's
22 retirement to the end of the fiscal year.

23 (c) If a beneficiary is entitled to receive a 13th or 14th
24 pension check in accordance with Subsection (a) of this section but
25 dies before payment of the 13th or 14th check, the 13th or 14th
26 check shall be paid to the beneficiary's estate.

27 SECTION 24. Section 6.14(i), Chapter 824 (S.B. 817), Acts

1 of the 73rd Legislature, Regular Session, 1993 (Article 6243o,
2 Vernon's Texas Civil Statutes), is amended to read as follows:

3 (i) If a surviving spouse elects to receive a lump-sum
4 payment under this section, the total death benefit annuity payable
5 ~~[to the surviving spouse]~~ under Section 6.02 of this Act is reduced
6 as provided by Subsection (j) of this section. The lump-sum
7 election does not affect the amount of a death benefit annuity
8 payable to a dependent child of a deceased member under Section 6.02
9 of this Act while a death benefit annuity is payable to the
10 surviving spouse.

11 SECTION 25. Chapter 824 (S.B. 817), Acts of the 73rd
12 Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas
13 Civil Statutes), is amended by adding Section 6.15 to read as
14 follows:

15 Sec. 6.15. DENIAL OF BENEFITS; DEATH CAUSED BY SURVIVOR.

16 (a) If a person is the principal or an accomplice in wilfully
17 bringing about the death of a member or beneficiary whose death
18 would otherwise result in a benefit or benefit increase to the
19 person, the person is not eligible for, or entitled to, that benefit
20 or benefit increase. The determination of the board that a person
21 wilfully brought about the death, or was an accomplice in wilfully
22 bringing about the death, must be made during a meeting of the
23 board. A determination by the board under this section is not
24 controlled by any other finding in any other forum.

25 (b) A benefit or benefit increase payable under this Act
26 because of the death of a member or beneficiary shall be paid as if
27 the person who is no longer eligible for or entitled to the benefit

1 under Subsection (a) of this section predeceased the member or
2 beneficiary.

3 SECTION 26. Section 3.03(a), Chapter 824 (S.B. 817), Acts
4 of the 73rd Legislature, Regular Session, 1993 (Article 6243o,
5 Vernon's Texas Civil Statutes), is repealed.

6 SECTION 27. Section 5.03, Chapter 824 (S.B. 817), Acts of
7 the 73rd Legislature, Regular Session, 1993 (Article 6243o,
8 Vernon's Texas Civil Statutes), as amended by this Act, applies
9 only to a disability retirement annuity for which an application is
10 made on or after the effective date of this Act. A disability
11 retirement annuity for which an application was made before the
12 effective date of this Act is governed by the law as it existed
13 immediately before the effective date of this Act, and that law is
14 continued in effect for that purpose.

15 SECTION 28. Sections 5.11(b-1) and 5.12(c-1), Chapter 824
16 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993
17 (Article 6243o, Vernon's Texas Civil Statutes), as added by this
18 Act, and Section 6.12, Chapter 824 (S.B. 817), Acts of the 73rd
19 Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas
20 Civil Statutes), as amended by this Act, apply only to a 13th or
21 14th check that is disbursed on or after the effective date of this
22 Act. A 13th or 14th check disbursed before the effective date of
23 this Act is governed by the law as it existed immediately before the
24 effective date of this Act, and that law is continued in effect for
25 that purpose.

26 SECTION 29. Except as provided by Section 6.02(a-1),
27 Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular

1 Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), as
2 added by this Act, Sections 6.02 and 6.03, Chapter 824 (S.B. 817),
3 Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o,
4 Vernon's Texas Civil Statutes), as amended by this Act, apply only
5 to a death benefit annuity for which an application is made on or
6 after the effective date of this Act. A death benefit annuity for
7 which an application is made before the effective date of this Act
8 is governed by the law as it existed immediately before the
9 effective date of this Act, and that law is continued in effect for
10 that purpose.

11 SECTION 30. This Act takes effect September 1, 2023.