

## **BILL ANALYSIS**

C.S.H.B. 2561  
By: Rose  
Pensions & Investments  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Fire and Police Fund was created to provide retirement security for members of the police and fire departments and their beneficiaries. As proposed, CSHB 2561 would provide greater clarity to retirement and disability benefits for both fire and police employees.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1: Amends Section 2, Texas Local Fire Fighters Retirement Act (Article 6243e, VTCS) by adding subdivisions (10) and (11) which define "determination date" and "vested accrued benefit."

SECTION 2: Amends Section 7(e), Texas Local Fire Fighters Retirement Act (Article 6243e, VTCS) which adds language stating changes may not be made without that written consent by the member, retiree or eligible survivor under Section 15 of a right to receive a vested accrued benefit.

SECTION 3: Amends Section 14, Texas Local Fire Fighters Retirement Act, (Art. 6243e, VTCS) by adding Subsection (g) and (h) which state that a vested accrued benefit of a retiree who is retired as of the determination date is subject to the terms of the benefit as they existed at the time and is payable only if board approved eligibility requirements are met. As stipulated, a disability retirement benefit is not a vested accrued benefit until the member becomes disabled as stipulated by the retirement system.

SECTION 4: Section 15, Texas Local Fire Fighters Retirement Act (Art. 6243e, VTCS) by adding Subsections (f) and (g). It stipulates that a vested accrued benefit an eligible survivor receives resulting from a member's death is subject to retirement system terms. Also states that a death benefit is not a vested accrued benefit until the member/retiree dies.

SECTION 5: Effective date.

### **EFFECTIVE DATE**

September 1, 2003 or immediate effect if 2/3 vote is received in both houses.

### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The substitute bill is a Texas Legislative Council draft and does not change the meaning or intent of the

original bill. It has simply been put in Council language for statute conformity.