

1-1 By: Rose, Quintanilla (Senate Sponsor - Madla) H.B. No. 2561  
1-2 (In the Senate - Received from the House May 6, 2003;  
1-3 May 8, 2003, read first time and referred to Committee on  
1-4 Intergovernmental Relations; May 16, 2003, reported favorably by  
1-5 the following vote: Yeas 4, Nays 0; May 16, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to the application of changes in benefits received by  
1-9 members and retirees of retirement systems for paid, partly paid,  
1-10 and volunteer fire fighters and their beneficiaries.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 2, Texas Local Fire Fighters Retirement  
1-13 Act (Article 6243e, Vernon's Texas Civil Statutes), is amended by  
1-14 adding Subdivisions (10) and (11) to read as follows:

1-15 (10) "Determination date" means:

1-16 (A) the day before the effective date of an  
1-17 addition or change adopted by the board of trustees of a retirement  
1-18 system under Section 7 of this Act; or

1-19 (B) the date of divorce for a member or retiree  
1-20 whose benefits under this Act are subject to a qualified domestic  
1-21 relations order.

1-22 (11) "Vested accrued benefit" means the amount of the  
1-23 monthly benefit that a person is entitled to receive based on the  
1-24 person's service credit and compensation history as of the  
1-25 determination date under the benefit formula and other terms  
1-26 established by a retirement system, including a vested percentage  
1-27 where applicable, as those terms exist on the determination date.  
1-28 The vested accrued benefit of a member is calculated without regard  
1-29 to any optional form of payment the member may select at retirement.  
1-30 The term does not include cost-of-living increases that may be  
1-31 applied to a benefit after the determination date.

1-32 SECTION 2. Section 7(e), Texas Local Fire Fighters  
1-33 Retirement Act (Article 6243e, Vernon's Texas Civil Statutes), is  
1-34 amended to read as follows:

1-35 (e) An addition or change adopted under this section may  
1-36 not, without the ~~member's~~ written consent of the member, retiree,  
1-37 or eligible survivor under Section 15 of this Act, deprive a member  
1-38 of the retirement system, a retiree, or an eligible survivor of a  
1-39 right to receive a vested accrued benefit.

1-40 SECTION 3. Section 14, Texas Local Fire Fighters Retirement  
1-41 Act (Article 6243e, Vernon's Texas Civil Statutes), is amended by  
1-42 adding Subsections (g) and (h) to read as follows:

1-43 (g) The vested accrued benefit of a retiree under this  
1-44 section who is retired as of the determination date is subject to  
1-45 the terms established by the retirement system as those terms exist  
1-46 on the determination date and is payable to the retiree only if the  
1-47 retiree meets the eligibility requirements established by the board  
1-48 of trustees under this section.

1-49 (h) Notwithstanding any other provision of this Act, a  
1-50 disability retirement benefit is not a vested accrued benefit until  
1-51 a member becomes disabled under the terms of the retirement system.

1-52 SECTION 4. Section 15, Texas Local Fire Fighters Retirement  
1-53 Act (Article 6243e, Vernon's Texas Civil Statutes), is amended by  
1-54 adding Subsections (f) and (g) to read as follows:

1-55 (f) The vested accrued benefit that an eligible survivor  
1-56 receives under this section as the result of the death of a member  
1-57 or retiree on or before the determination date is subject to the  
1-58 terms established by the retirement system as those terms exist on  
1-59 the determination date.

1-60 (g) Notwithstanding any other provision of this Act, a death  
1-61 benefit is not a vested accrued benefit until the member or retiree  
1-62 for whom death benefits are payable dies.

1-63 SECTION 5. This Act takes effect immediately if it receives  
1-64 a vote of two-thirds of all the members elected to each house, as

2-1 provided by Section 39, Article III, Texas Constitution. If this  
2-2 Act does not receive the vote necessary for immediate effect, this  
2-3 Act takes effect September 1, 2003.

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