

By: Armbrister

S.B. No. 289

A BILL TO BE ENTITLED

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AN ACT

relating to changes in the eligibility requirements, benefit structure, or other requirements of local public retirement systems governed by state statute.

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

SECTION 1. Section 4(t), Chapter 451, Acts of the 72nd Legislature, Regular Session, 1991 (Article 6243n, Vernon's Texas Civil Statutes), is amended to read as follows:

(t) The retirement board shall have charge of and administer the fund as trustee of the fund and[~~and~~] shall order payments from the fund in accordance with this Act [~~, and may increase, under Section 10(g) of this Act, the benefits and allowances the board pays from the fund~~]. If practicable, the retirement board shall collect underpayments and refund overpayments. The retirement board shall report annually to the members on the condition of the fund and the receipts and disbursements on account of the fund.

SECTION 2. Section 6.01(a), Chapter 824, Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243n-1, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) On retirement after having reached the member's normal retirement date, members entitled thereto shall receive a service retirement benefit in the form of a life annuity (modified cash refund). Each monthly payment of the life annuity (modified cash refund) shall be equal to one-twelfth of the product of 2.88 percent

1 of a member's average final compensation multiplied by the number  
2 of months of creditable service. [~~The retirement benefit percent~~  
3 ~~specified by this section to calculate the amount of the monthly~~  
4 ~~payment of the life annuity (modified cash refund) may be changed~~  
5 ~~after 1997 if:~~

6 [~~(1) the change is approved by the board's actuary;~~

7 [~~(2) the change is adopted by the board as a board~~  
8 ~~rule;~~

9 [~~(3) the change applies to all present members, all~~  
10 ~~retired members, and all who become members after the effective~~  
11 ~~date of the change in the retirement benefit percent;~~

12 [~~(4) a member's vested interest as of the last day of~~  
13 ~~the month immediately preceding the effective date of the change in~~  
14 ~~the retirement benefit percent is not reduced; and~~

15 [~~(5) a retirement annuity being paid by the police~~  
16 ~~retirement system to members or to the surviving spouses or~~  
17 ~~beneficiaries of members who retired before the effective date of~~  
18 ~~the change in the retirement benefit percent is changed as~~  
19 ~~prescribed by Subsection (d)(6) of this section, except that a~~  
20 ~~reduction in annuities may not cause the member's, surviving~~  
21 ~~spouse's, or beneficiary's annuity payment to be reduced below the~~  
22 ~~base retirement amount calculated under this Act.]~~

23 SECTION 3. The following laws are repealed:

24 (1) Section 7.01, Article 6243a-1, Revised Statutes;

25 (2) Section 10A, Chapter 101, Acts of the 43rd  
26 Legislature, 1st Called Session, 1933 (Article 6243b, Vernon's  
27 Texas Civil Statutes);

- 1           (3) Section 10, Article 6243e.1, Revised Statutes;
- 2           (4) Section 27, Article 6243g-4, Revised Statutes;
- 3           (5) Section 10(g), Chapter 451, Acts of the 72nd
- 4 Legislature, Regular Session, 1991 (Article 6243n, Vernon's Texas
- 5 Civil Statutes); and
- 6           (6) Article XI, Chapter 325, Acts of the 75th
- 7 Legislature, Regular Session, 1997 (Article 6243p, Vernon's Texas
- 8 Civil Statutes).

9           SECTION 4. A change in the eligibility requirements,  
10 benefit structure, or other requirements of a public retirement  
11 system that was made under the authority of law being amended or  
12 repealed by this Act before the effective date of this Act is valid  
13 for the period for which it was made.

14           SECTION 5. This Act takes effect immediately if it receives  
15 a vote of two-thirds of all the members elected to each house, as  
16 provided by Section 39, Article III, Texas Constitution. If this  
17 Act does not receive the vote necessary for immediate effect, this  
18 Act takes effect September 1, 2003.