

By: Madla

S.B. No. 642

A BILL TO BE ENTITLED

AN ACT

relating to the retirement system for fire fighters and police officers in certain municipalities.

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

SECTION 1. Section 1.02(7), Chapter 824, Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), is amended to read as follows:

(7) "Dependent child" means:

(A) a person who is less than 18 years of age and is a child of a deceased member or deceased retiree; [under age 18,

or

(B) a [totally disabled] person:

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

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

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

SECTION 2. Sections 4.01(a) and (c), Chapter 824, Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), are amended to read as follows:

1 (a) A person is eligible to become a member of the fund as a
2 condition of continued employment [~~two months~~] after the person has
3 received state certification as a fire fighter or police officer,
4 completed all other requirements for membership in the fund, and:

5 (1) graduated from a fire fighter or police officer
6 training academy of a municipality to which this Act applies and
7 passed the municipality's fire fighter's or police officer's
8 probationary exam; or

9 (2) otherwise satisfied the requirements for
10 employment as a fire fighter or police officer in a municipality to
11 which this Act applies.

12 (c) Except as provided by Section 4.05 of this Act, a [A]
13 municipality to which this Act applies shall match an amount equal
14 to twice the amount of each payment a member makes to the fund under
15 this section.

16 SECTION 3. Section 4.05, Chapter 824, Acts of the 73rd
17 Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas
18 Civil Statutes), is amended by amending Subsection (a) and adding
19 Subsection (a-1) to read as follows:

20 (a) Except as provided by Subsection (a-1) of this section,
21 a [A] municipality to which this Act applies shall pay into the fund
22 an amount equal to double the sum total of all member contributions
23 made in accordance with Section 4.04 of this Act.

24 (a-1) For a member who participates in the fund for the
25 first time after September 30, 2003, and before October 1, 2005, a
26 municipality is not required to pay an amount under Subsection (a)
27 of this section into the fund for the member before the 61st day

1 after the date the member becomes a participant in the fund.

2 SECTION 4. Section 4.07(b), Chapter 824, Acts of the 73rd
3 Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas
4 Civil Statutes), is amended to read as follows:

5 (b) A member of the fund who terminates employment before
6 the member's right to benefits under the fund has vested but who has
7 contributed to the fund for at least five years is entitled to a
8 refund of the member's contributions that were picked up by the
9 municipality. That refund shall be paid without interest. A refund
10 under this section is not available to a member who terminates
11 employment to receive a disability pension or to a survivor
12 beneficiary under this Act. Except as provided by Section 4.08 of
13 this Act, a [A] person's acceptance of a refund under this
14 subsection precludes the person from any other right or benefit
15 under this Act.

16 SECTION 5. Article 4, Chapter 824, Acts of the 73rd
17 Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas
18 Civil Statutes), is amended by adding Section 4.08 to read as
19 follows:

20 Sec. 4.08. PURCHASE OF SERVICE CREDIT PREVIOUSLY
21 REFUNDED. (a) A member who received a refund under Section 4.07 of
22 this Act of contributions made for a prior period of employment may
23 reestablish service credit for that prior period of employment by
24 paying to the fund a lump sum equal to the amount of the refund the
25 member received under Section 4.07 of this Act, plus interest on the
26 amount at the actuarial assumed rate of return, as established by
27 the board, from the date the member received the refund to the date

1 the member makes the lump-sum payment.

2 (b) A member must make the lump-sum payment under this
3 section within a period of days after the date the member is
4 reemployed that is equal to three times the number of days of the
5 period beginning on the date the member terminated the member's
6 prior employment and ending on the date the member is reemployed,
7 provided that the period for making the lump-sum payment may not
8 exceed five years.

9 (c) The member must file with the secretary of the board a
10 written statement of intent to make the lump-sum payment under this
11 section not later than the 90th day after the date the member is
12 reemployed, except that a member who is reemployed before October
13 1, 2003, must file the statement on or before December 31, 2003.

14 SECTION 6. Section 5.03(b), Chapter 824, Acts of the 73rd
15 Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas
16 Civil Statutes), is amended to read as follows:

17 (b) A member of the fund who has a disability resulting from
18 injury or disease incurred before the member became a fire fighter
19 or police officer [~~or while a member of any uniformed service~~] is
20 not entitled to a disability retirement annuity based on that
21 disability.

22 SECTION 7. Section 5.05(b), Chapter 824, Acts of the 73rd
23 Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas
24 Civil Statutes), is amended to read as follows:

25 (b) For those retired because of disability before August
26 30, 1971, the board may change the disability retirement annuity
27 provided by this Act, in accordance with any change in the degree of

1 disability, except that the percentage used to compute the annuity
2 may not, except in the case of discontinuance, be reduced to less
3 than 2.25 [~~two~~] percent of the base pay of a private each month, for
4 each year that the retiree has served and contributed a portion of
5 salary as provided by this Act, based on the greater of:

6 (1) the rate of pay at the time of the original
7 granting of the disability retirement annuity; or

8 (2) a minimum base pay of \$200 each month.

9 SECTION 8. Sections 6.02(a), (c), and (j), Chapter 824,
10 Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o,
11 Vernon's Texas Civil Statutes), are amended to read as follows:

12 (a) Subject to Section 6.03 of this Act and the provisions
13 of this section, if a member or disability retiree dies leaving a
14 surviving spouse or at least one dependent child, the surviving
15 spouse and the children are entitled to receive from the fund an
16 aggregate death benefit annuity, computed and payable from the date
17 of the member's death. The surviving spouse may elect the annuity
18 in an amount that is equal to either:

19 (1) 50 percent of the member's average total salary;
20 or

21 (2) the same percentage of the member's average total
22 salary that the member would have been entitled to receive as a
23 retirement annuity if the member could have retired on the date of
24 death.

25 (c) Subject to Section 6.08 of this Act and the provisions
26 of this section, if a retiree other than a disability retiree dies
27 leaving a surviving spouse or at least one dependent child, the

1 surviving spouse and dependent children are entitled to receive
2 from the fund an aggregate death benefit annuity, computed and
3 payable from the date of the member's death, in an amount that is
4 equal to the lesser of:

5 (1) the retirement annuity to which a member with the
6 same average total salary as the deceased retiree and 27 years of
7 service credit would be entitled if the member retired on the date
8 of the deceased retiree's death; or

9 (2) the retirement annuity the retiree was receiving
10 at the time of the retiree's death.

11 (j) A dependent child as defined by Section 1.02(7)(B) of
12 this Act [~~of the member who is so mentally or physically disabled as~~
13 ~~to be incapable of being self-supporting to any extent, if~~
14 ~~otherwise qualified and regardless of age,~~] has the same rights as
15 [~~of~~] a dependent child as defined by Section 1.02(7)(A) of this Act
16 [~~under 18 years of age~~], except that any death benefit annuity paid
17 under this subsection to a dependent [~~any mentally or physically~~
18 ~~disabled~~] child as defined by Section 1.02(7)(B) of this Act may, at
19 the discretion of the board, be reduced to the extent of any state
20 pension or aid, including Medicaid, or any state-funded assistance
21 received by the child, regardless of whether the funds were made
22 available to the state by the federal government. In no other
23 instance under this Act is a child entitled to any benefit after
24 becoming 18 years of age.

25 SECTION 9. Section 6.13, Chapter 824, Acts of the 73rd
26 Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas
27 Civil Statutes), is amended to read as follows:

1 Sec. 6.13. GUARDIANSHIP. Any benefit payable under this
2 article to a dependent child as defined by Section 1.02(7)(B) of
3 this Act may be paid only to a guardian who is appointed in
4 accordance with Chapter XIII, Texas Probate Code. Any benefit
5 payable under this article to a dependent child as defined by
6 Section 1.02(7)(A) of this Act may, at the board's discretion, be:

7 (1) paid to a guardian appointed in accordance with
8 Chapter XIII, Texas Probate Code; or

9 (2) accrued by the fund and paid directly to the
10 dependent child on the child's 18th birthday.

11 SECTION 10. Section 4.03(g), Chapter 824, Acts of the 73rd
12 Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas
13 Civil Statutes), is repealed.

14 SECTION 11. This Act takes effect October 1, 2003.