

1-1 By: Madla S.B. No. 642
1-2 (In the Senate - Filed February 21, 2003; February 27, 2003,
1-3 read first time and referred to Committee on Intergovernmental
1-4 Relations; March 13, 2003, reported favorably by the following
1-5 vote: Yeas 3, Nays 0; March 13, 2003, sent to printer.)

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

1-8 relating to the retirement system for firefighters and police
1-9 officers in certain municipalities.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subdivision (7), Section 1.02, Chapter 824, Acts
1-12 of the 73rd Legislature, Regular Session, 1993 (Article 6243o,
1-13 Vernon's Texas Civil Statutes), is amended to read as follows:

1-14 (7) "Dependent child" means:

1-15 (A) a person who is less than 18 years of age and
1-16 is a child of a deceased member or deceased retiree; [~~under age 18,~~
1-17 or

1-18 (B) a [~~totally disabled~~] person:

1-19 (i) who is at least 18 years of age;

1-20 (ii) who is mentally or physically disabled
1-21 to the extent that the person is not capable of being
1-22 self-supporting; and

1-23 (iii) [~~7~~] whose natural or adoptive parent
1-24 is a deceased member or deceased retiree, provided that [~~if~~], for
1-25 the year immediately preceding the death of the member or retiree,
1-26 the deceased member or retiree claimed the person as a dependent on
1-27 the member's or retiree's federal income tax return.

1-28 SECTION 2. Subsections (a) and (c), Section 4.01, Chapter
1-29 824, Acts of the 73rd Legislature, Regular Session, 1993 (Article
1-30 6243o, Vernon's Texas Civil Statutes), are amended to read as
1-31 follows:

1-32 (a) A person is eligible to become a member of the fund as a
1-33 condition of continued employment [~~two months~~] after the person has
1-34 received state certification as a fire fighter or police officer,
1-35 completed all other requirements for membership in the fund, and:

1-36 (1) graduated from a fire fighter or police officer
1-37 training academy of a municipality to which this Act applies and
1-38 passed the municipality's fire fighter's or police officer's
1-39 probationary exam; or

1-40 (2) otherwise satisfied the requirements for
1-41 employment as a fire fighter or police officer in a municipality to
1-42 which this Act applies.

1-43 (c) Except as provided by Section 4.05 of this Act, a [A]
1-44 municipality to which this Act applies shall match an amount equal
1-45 to twice the amount of each payment a member makes to the fund under
1-46 this section.

1-47 SECTION 3. Section 4.05, Chapter 824, Acts of the 73rd
1-48 Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas
1-49 Civil Statutes), is amended by amending Subsection (a) and adding
1-50 Subsection (a-1) to read as follows:

1-51 (a) Except as provided by Subsection (a-1) of this section,
1-52 a [A] municipality to which this Act applies shall pay into the fund
1-53 an amount equal to double the sum total of all member contributions
1-54 made in accordance with Section 4.04 of this Act.

1-55 (a-1) For a member who participates in the fund for the
1-56 first time after September 30, 2003, and before October 1, 2005, a
1-57 municipality is not required to pay an amount under Subsection (a)
1-58 of this section into the fund for the member before the 61st day
1-59 after the date the member becomes a participant in the fund.

1-60 SECTION 4. Subsection (b), Section 4.07, Chapter 824, Acts
1-61 of the 73rd Legislature, Regular Session, 1993 (Article 6243o,
1-62 Vernon's Texas Civil Statutes), is amended to read as follows:

1-63 (b) A member of the fund who terminates employment before
1-64 the member's right to benefits under the fund has vested but who has

2-1 contributed to the fund for at least five years is entitled to a
 2-2 refund of the member's contributions that were picked up by the
 2-3 municipality. That refund shall be paid without interest. A refund
 2-4 under this section is not available to a member who terminates
 2-5 employment to receive a disability pension or to a survivor
 2-6 beneficiary under this Act. Except as provided by Section 4.08 of
 2-7 this Act, a [A] person's acceptance of a refund under this
 2-8 subsection precludes the person from any other right or benefit
 2-9 under this Act.

2-10 SECTION 5. Article 4, Chapter 824, Acts of the 73rd
 2-11 Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas
 2-12 Civil Statutes), is amended by adding Section 4.08 to read as
 2-13 follows:

2-14 Sec. 4.08. PURCHASE OF SERVICE CREDIT PREVIOUSLY REFUNDED.

2-15 (a) A member who received a refund under Section 4.07 of this Act
 2-16 of contributions made for a prior period of employment may
 2-17 reestablish service credit for that prior period of employment by
 2-18 paying to the fund a lump sum equal to the amount of the refund the
 2-19 member received under Section 4.07 of this Act, plus interest on the
 2-20 amount at the actuarial assumed rate of return, as established by
 2-21 the board, from the date the member received the refund to the date
 2-22 the member makes the lump-sum payment.

2-23 (b) A member must make the lump-sum payment under this
 2-24 section within a period of days after the date the member is
 2-25 reemployed that is equal to three times the number of days of the
 2-26 period beginning on the date the member terminated the member's
 2-27 prior employment and ending on the date the member is reemployed,
 2-28 provided that the period for making the lump-sum payment may not
 2-29 exceed five years.

2-30 (c) The member must file with the secretary of the board a
 2-31 written statement of intent to make the lump-sum payment under this
 2-32 section not later than the 90th day after the date the member is
 2-33 reemployed, except that a member who is reemployed before October
 2-34 1, 2003, must file the statement on or before December 31, 2003.

2-35 SECTION 6. Subsection (b), Section 5.03, Chapter 824, Acts
 2-36 of the 73rd Legislature, Regular Session, 1993 (Article 6243o,
 2-37 Vernon's Texas Civil Statutes), is amended to read as follows:

2-38 (b) A member of the fund who has a disability resulting from
 2-39 injury or disease incurred before the member became a fire fighter
 2-40 or police officer [~~or while a member of any uniformed service~~] is
 2-41 not entitled to a disability retirement annuity based on that
 2-42 disability.

2-43 SECTION 7. Subsection (b), Section 5.05, Chapter 824, Acts
 2-44 of the 73rd Legislature, Regular Session, 1993 (Article 6243o,
 2-45 Vernon's Texas Civil Statutes), is amended to read as follows:

2-46 (b) For those retired because of disability before August
 2-47 30, 1971, the board may change the disability retirement annuity
 2-48 provided by this Act, in accordance with any change in the degree of
 2-49 disability, except that the percentage used to compute the annuity
 2-50 may not, except in the case of discontinuance, be reduced to less
 2-51 than 2.25 [~~two~~] percent of the base pay of a private each month, for
 2-52 each year that the retiree has served and contributed a portion of
 2-53 salary as provided by this Act, based on the greater of:

2-54 (1) the rate of pay at the time of the original
 2-55 granting of the disability retirement annuity; or

2-56 (2) a minimum base pay of \$200 each month.

2-57 SECTION 8. Subsections (a), (c), and (j), Section 6.02,
 2-58 Chapter 824, Acts of the 73rd Legislature, Regular Session, 1993
 2-59 (Article 6243o, Vernon's Texas Civil Statutes), are amended to read
 2-60 as follows:

2-61 (a) Subject to Section 6.03 of this Act and the provisions
 2-62 of this section, if a member or disability retiree dies leaving a
 2-63 surviving spouse or at least one dependent child, the surviving
 2-64 spouse and the children are entitled to receive from the fund an
 2-65 aggregate death benefit annuity, computed and payable from the date
 2-66 of the member's death. The surviving spouse may elect the annuity
 2-67 in an amount that is equal to either:

2-68 (1) 50 percent of the member's average total salary; or

2-69 (2) the same percentage of the member's average total

3-1 salary that the member would have been entitled to receive as a
 3-2 retirement annuity if the member could have retired on the date of
 3-3 death.

3-4 (c) Subject to Section 6.08 of this Act and the provisions
 3-5 of this section, if a retiree other than a disability retiree dies
 3-6 leaving a surviving spouse or at least one dependent child, the
 3-7 surviving spouse and dependent children are entitled to receive
 3-8 from the fund an aggregate death benefit annuity, computed and
 3-9 payable from the date of the member's death, in an amount that is
 3-10 equal to the lesser of:

3-11 (1) the retirement annuity to which a member with the
 3-12 same average total salary as the deceased retiree and 27 years of
 3-13 service credit would be entitled if the member retired on the date
 3-14 of the deceased retiree's death; or

3-15 (2) the retirement annuity the retiree was receiving
 3-16 at the time of the retiree's death.

3-17 (j) A dependent child as defined by Section 1.02(7)(B) of
 3-18 this Act [~~of the member who is so mentally or physically disabled as~~
 3-19 ~~to be incapable of being self-supporting to any extent, if~~
 3-20 ~~otherwise qualified and regardless of age,~~] has the same rights as
 3-21 [~~of~~] a dependent child as defined by Section 1.02(7)(A) of this Act
 3-22 [~~under 18 years of age~~], except that any death benefit annuity paid
 3-23 under this subsection to a dependent [~~any mentally or physically~~
 3-24 ~~disabled~~] child as defined by Section 1.02(7)(B) of this Act may, at
 3-25 the discretion of the board, be reduced to the extent of any state
 3-26 pension or aid, including Medicaid, or any state-funded assistance
 3-27 received by the child, regardless of whether the funds were made
 3-28 available to the state by the federal government. In no other
 3-29 instance under this Act is a child entitled to any benefit after
 3-30 becoming 18 years of age.

3-31 SECTION 9. Section 6.13, Chapter 824, Acts of the 73rd
 3-32 Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas
 3-33 Civil Statutes), is amended to read as follows:

3-34 Sec. 6.13. GUARDIANSHIP. Any benefit payable under this
 3-35 article to a dependent child as defined by Section 1.02(7)(B) of
 3-36 this Act may be paid only to a guardian who is appointed in
 3-37 accordance with Chapter XIII, Texas Probate Code. Any benefit
 3-38 payable under this article to a dependent child as defined by
 3-39 Section 1.02(7)(A) of this Act may, at the board's discretion, be:

3-40 (1) paid to a guardian appointed in accordance with
 3-41 Chapter XIII, Texas Probate Code; or

3-42 (2) accrued by the fund and paid directly to the
 3-43 dependent child on the child's 18th birthday.

3-44 SECTION 10. Subsection (g), Section 4.03, Chapter 824, Acts
 3-45 of the 73rd Legislature, Regular Session, 1993 (Article 6243o,
 3-46 Vernon's Texas Civil Statutes), is repealed.

3-47 SECTION 11. This Act takes effect October 1, 2003.

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