

1-1 By: Kuempel (Senate Sponsor - Williams) H.B. No. 1244  
1-2 (In the Senate - Received from the House April 23, 2007;  
1-3 April 24, 2007, read first time and referred to Committee on State  
1-4 Affairs; May 4, 2007, reported favorably by the following vote:  
1-5 Yeas 8, Nays 0; May 4, 2007, sent to printer.)

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

1-8 relating to contributions to, benefits from, and the administration  
1-9 of the Texas Municipal Retirement System.

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

1-11 SECTION 1. Section 851.006, Government Code, is amended to  
1-12 read as follows:

1-13 Sec. 851.006. EXEMPTION FROM EXECUTION. (a) Except as  
1-14 provided by Subsection (b), all [All] retirement annuity payments,  
1-15 other benefit payments, and a member's accumulated contributions  
1-16 are unassignable and are exempt from execution, garnishment,  
1-17 attachment, and state and local taxation.

1-18 (b) The board of trustees by rule may authorize the  
1-19 retirement system to make distributions to pay the qualified health  
1-20 insurance premiums of a public safety officer in accordance with  
1-21 the provisions of Section 845, Pension Protection Act of 2006, Pub.  
1-22 L. No. 109-280.

1-23 SECTION 2. Section 853.402, Government Code, is amended by  
1-24 adding Subsection (a-1) to read as follows:

1-25 (a-1) The board of trustees by rule may limit the increase  
1-26 in a member's average updated service compensation from year to  
1-27 year.

1-28 SECTION 3. Section 855.110, Government Code, is amended by  
1-29 adding Subsection (c) to read as follows:

1-30 (c) The board of trustees, after consultation with the  
1-31 actuary, by rule may set open or closed amortization periods not to  
1-32 exceed 25 years.

1-33 SECTION 4. Subchapter E, Chapter 855, Government Code, is  
1-34 amended by adding Section 855.4065 to read as follows:

1-35 Sec. 855.4065. ADDITIONAL EMPLOYER CONTRIBUTIONS. (a) In  
1-36 addition to the contributions a participating municipality is  
1-37 required to make under this subtitle, the board of trustees, after  
1-38 consultation with the actuary, by rule may authorize a  
1-39 participating municipality to make lump-sum or periodic employer  
1-40 contributions to the retirement system to be deposited in the  
1-41 municipality's account in the municipality accumulation fund.

1-42 (b) A contribution made under this section is not subject to  
1-43 the maximum contribution rates under Sections 855.407 and 855.501.

1-44 SECTION 5. Section 853.402(g), Government Code, is  
1-45 repealed.

1-46 SECTION 6. The change in law made by the repeal of Section  
1-47 853.402(g), Government Code, by this Act applies only to the  
1-48 computation of the updated service compensation of a person whose  
1-49 effective date of retirement under the Texas Municipal Retirement  
1-50 System is on or after September 1, 2007. The updated service  
1-51 compensation of a person whose effective date of retirement is  
1-52 before September 1, 2007, is computed according to the law in effect  
1-53 on the effective date of the person's retirement, and that law is  
1-54 continued in effect for that purpose.

1-55 SECTION 7. (a) Except as provided by Subsection (b) of  
1-56 this section, this Act takes effect September 1, 2007.

1-57 (b) The following sections take effect January 1, 2008:

1-58 (1) Section 851.006, Government Code, as amended by  
1-59 this Act; and

1-60 (2) Sections 853.402(a-1), 855.110(c), and 855.4065,  
1-61 Government Code, as added by this Act.

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