

By: Seliger

S.B. No. 1358

A BILL TO BE ENTITLED

AN ACT

relating to optional annuity increases for certain retirees and beneficiaries of the Texas Municipal Retirement System.

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

SECTION 1. Subsection (c), Section 853.404, Government Code, is amended to read as follows:

(c) The governing body of a participating municipality that adopts an ordinance under Section 854.203 providing for increased annuities effective January 1 of a designated year may further provide in the ordinance that increases in annuities will be credited effective January 1 of each year following the designated year based on recomputations made as provided by Section 854.203(b) [~~854.203(b)(1)~~] for each year following the initial computation, and using the fraction specified in the ordinance as required under Section 854.203(b) [~~854.203(b)(2)~~] in the recomputations.

SECTION 2. Section 854.203, Government Code, is amended by amending Subsections (b) and (f) and adding Subsection (b-1) to read as follows:

(b) The amount of annuity increase under this section is computed by one of the following methods:

(1) as the sum of the prior and current service annuities on the effective date of retirement of the person on whose service the annuities are based, multiplied by:

(A) [~~(1)~~] the percentage change in the Consumer

1 Price Index for All Urban Consumers, published by the Bureau of
2 Labor Statistics of the United States Department of Labor, from
3 December of the year immediately preceding the effective date of
4 the person's retirement to the December that is 13 months before the
5 effective date of the ordinance providing the increase; and

6 (B) [~~(2)~~] 30 percent, 50 percent, or 70 percent,
7 as specified by the governing body in the ordinance, except that if
8 the governing body has specified a different percentage in an
9 ordinance adopted under Section 853.404(c) and in effect on
10 December 31, 1999, the percentage used in computing annuity
11 increases for retirees of that municipality remains in effect until
12 changed or discontinued under Section 853.404; or

13 (2) as the sum of the prior and current service
14 annuities on the effective date of the increase multiplied by the
15 integer percentage increase specified in the ordinance adopted by
16 the governing body.

17 (b-1) An increase under Subsection (b)(2) applies to all
18 annuities for which the effective date is at least 12 months before
19 the effective date of the increase.

20 (f) An increase granted to an annuitant under Subsection
21 (b)(2), or the [The] amount by which an increase under Subsection
22 (b)(1) [~~this section~~] exceeds all previously granted increases to
23 an annuitant is payable as a prior service annuity, is an obligation
24 of the municipality's account in the municipality accumulation
25 fund, and is subject to reduction under Section 855.308(f).

26 SECTION 3. This Act takes effect immediately if it receives
27 a vote of two-thirds of all the members elected to each house, as

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1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2009.