

BILL ANALYSIS

S.B. 1285
By: Watson
Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

From time to time, a municipality, such as the City of Austin, establishes an agreement with its applicable police officers association to fund a retirement system. To strengthen the actuarial condition of the retirement system, a municipality may increase its contribution, without changing the benefits or eligibility requirements to receive benefits.

S.B. 1285 seeks to strengthen the actuarial condition of a police officers retirement system in a municipality having a population of more than 600,000 and less than 700,000 by incrementally increasing over two years the municipality's contribution to its police officers association.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 1285 amends the law governing a police officers retirement system in a municipality with a population of more than 600,000 and less than 700,000 to limit applicability of the requirement that the city contribute an amount equal to 19 percent of the basic hourly earnings of each member of the police officers retirement system employed by the city to pay periods before October 1, 2011. The bill adds a provision that increases the city's contribution to 20 percent of the basic hourly earnings of each such member for all periods after September 30, 2011, and before October 1, 2012, and to 21 percent for all periods after September 30, 2012, subject to additional amounts being contributed as provided by law to fund additional liabilities incurred by the system as a result of its participation in the proportionate retirement program.

EFFECTIVE DATE

September 1, 2011.