

BILL ANALYSIS

C.S.S.B. 1286

By: Watson

Pensions, Investments & Financial Services
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Austin firefighters relief and retirement fund provides retirement, disability, and death benefits to its members and beneficiaries. These benefits are funded by contributions from the City of Austin and from firefighters. A recent collective bargaining agreement between the city and the local firefighters association increased the city's contribution rate.

C.S.S.B. 1286 seeks to amend the applicable statute to reflect increases in the city's contribution rate, and provide for increases in the contribution rate for firefighters.

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

C.S.S.B. 1286 increases the municipality's rate of contribution to the fund from 18.05 percent of the compensation of all members during that month to the following percentages for the specified periods: 19.05 percent, beginning on the first pay date following September 30, 2010, through the pay date immediately preceding September 30, 2011; 20.05 percent, beginning on the first pay date following September 30, 2011, through the pay date immediately preceding September 30, 2012; 21.05 percent for 24 pay dates beginning on the first pay date following September 30, 2012; and 22.05 percent for all subsequent pay dates.

C.S.S.B. 1286 increases each firefighter's rate of contribution to the fund from 13.70 percent of the firefighter's compensation for the month to the following percentages for the specified periods: 15.70 percent for the pay dates of the municipality following September 30, 2010, through the pay date immediately preceding September 30, 2011; 16.20 percent from the pay dates following September 30, 2011, through the pay date immediately preceding September 30, 2012; 16.70 percent from the pay dates following September 30, 2012, through the pay date immediately preceding September 30, 2013; 17.20 percent from the pay dates following September 30, 2013, through the pay date immediately preceding September 30, 2014; 17.70 percent from the pay dates following September 30, 2014, through the pay date immediately preceding September 30, 2015; 18.20 from the pay dates following September 30, 2015 through the pay date immediately preceding September 30, 2016; and 18.70 percent for the first pay date following September 30, 2016, and each subsequent pay date.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.S.B. 1286 omits Section 1 of the original bill, which requires a municipality with a population of more than 600,000 and less than 700,000, to authorize the fund's board of trustees, if only one member is nominated for a position on the board that is to be filled by election, to appoint the sole nominated candidate at the first board meeting in January instead of holding an election.

C.S.S.B. 1286 omits Section 3 of the original bill, which requires the board of trustees of a retirement system to adopt procedures required under Section 2.03(b), Chapter 183 (S.B. 598), Acts of the 64th Legislature, Regular Session, 1975 (Article 6243e.1, Vernon's Texas Civil Statutes), before a sole nominated candidate may be appointed to the board of trustees.