

By: Turner of Harris

H.B. No. 2572

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the firefighters relief and retirement fund in certain
3 municipalities.

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

5 SECTION 1. Section 1, Article 6243e.2(1), Revised Statutes,
6 is amended by adding a new subsection (16-a) to read as follows:

7 (16-a) "Unused leave pay" means the accrued value of unused
8 leave time due to the employee at separation from service.

9 SECTION 2. Section 5, Article 6243e.2(1), Revised Statutes,
10 is amended by amending subsection (b) and adding a new subsection
11 (c-1) to read as follows:

12 (b) A member may elect to participate in the DROP by
13 complying with the election process established by the board. The
14 member's election may be made at any time beginning on the date the
15 member has completed 20 years of participation in the fund and is
16 otherwise eligible for a service pension under Section 4 of this
17 article. The election becomes effective on the first day of the
18 month following the month in which the board approves the member's
19 DROP election. Beginning on the effective date of the member's DROP
20 election, amounts equal to the deductions made from the member's
21 salary under Sections 13(c) and 13(e-1) of this article shall be
22 credited to the member's DROP account. A member may not participate
23 in the DROP for more than 10 years. If a DROP participant remains in
24 active service after the 10th anniversary of the effective date of

1 the member's DROP election, subsequent deductions from the member's
2 salary under Section 13(c) of this article may not be credited to
3 the member's DROP account and may not otherwise increase any
4 benefit payable from the fund for the member's service.

5 (c-1) Notwithstanding anything to the contrary in
6 Subsections (b) and (c) of this section, upon separation from
7 service, an amount equal to a DROP participant's entire unused
8 leave pay received as a contribution from the municipality by the
9 fund shall be credited to the DROP participant's DROP account in
10 accordance with Section 13(c) of this article.

11 SECTION 3. Section 13, Article 6243e.2(1), Revised
12 Statutes, is amended by amending subsections (c) and (d) and adding
13 a new subsection (e-1) to read as follows:

14 (c) Each member in active service shall make contributions
15 to the fund in an amount equal to 9 [~~8.35~~] percent of the member's
16 salary at the time of the contribution[~~, and as of July 1, 2004, in~~
17 ~~an amount equal to nine percent of the member's salary at the time~~
18 ~~of the contribution~~]. In addition, each DROP participant, as
19 identified by the fund to the municipality for purposes of this
20 section, shall make contributions to the fund in an amount equal to
21 100% of the DROP participant's unused leave pay, and the unused
22 leave pay amounts contributed as to DROP participants shall be
23 credited to the DROP accounts of such DROP participants. The
24 governing body of the municipality shall deduct the member's
25 contributions [~~from the member's salary~~] and shall forward the
26 contributions to the fund as soon as practicable.

27 (d) The municipality shall make contributions to the fund

1 once every two weeks in an amount equal to the product of the
2 contribution rate certified by the board and the aggregate salaries
3 paid to members of the fund during the period for which the
4 contribution is made. The board shall certify the municipality's
5 contribution rate for each year or portion of a year based on the
6 results of actuarial valuations made at least every three years.
7 The municipality's contribution rate shall be composed of the
8 normal cost plus the level percentage of salary payment required to
9 amortize the unfunded actuarial liability over a constant period of
10 30 years computed on the basis of an acceptable actuarial reserve
11 funding method approved by the board. Notwithstanding any other
12 provision of this article, the contributions by the municipality,
13 when added to any contributions with respect to a qualified
14 governmental excess benefit arrangement maintained in accordance
15 with Section 14(c) of this article, may not be less than twice the
16 amount paid into the fund by contributions of the members, without
17 regard to the member contributions of unused leave pay.

18 (e-1) Notwithstanding anything to the contrary in
19 Subsections (c) and (d) of this section, or in section 3(d) of this
20 article, as of the effective date of the Act adding this Subsection,
21 the following employee and employer contribution rates, other than
22 with regard to unused leave pay which shall be contributed in
23 accordance with Subsection (c), shall be placed in effect for the
24 fund's fiscal years 2016, 2017 and 2018 as indicated in the schedule
25 below:

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<u>Fiscal Year</u>	<u>Employee (% of salary)</u>	<u>Employer (% of payroll)</u>
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1	<u>2016</u>	<u>12%</u>	<u>25.8%</u>
2	<u>2017</u>	<u>12%</u>	<u>24.0%</u>
3	<u>2018</u>	<u>12%</u>	<u>24.0%</u>

4 If the fund's fiscal year 2016 begins after the effective
5 date of the Act adding this subsection, the employee and employer
6 contribution percentages for fiscal year 2016 shall only be applied
7 as of the effective date of the Act. This subsection expires July 1,
8 2018.

9 SECTION 4. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect August 31, 2015.