

By: Gutierrez

H.B. No. 2469

A BILL TO BE ENTITLED

AN ACT

relating to retirement benefits for certain peace officers who are members of the Teacher Retirement System of Texas.

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

SECTION 1. Section [821.001](#), Government Code, is amended by adding Subdivision (11-a) to read as follows:

(11-a) "Peace officer" means a member of the retirement system who is elected, employed, or appointed as a peace officer under Article [2.12](#), Code of Criminal Procedure, Section [37.081](#) or [51.203](#), Education Code, or other law.

SECTION 2. Subchapter C, Chapter [824](#), Government Code, is amended by adding Sections 824.2025 and 824.2035 to read as follows:

Sec. 824.2025. ELIGIBILITY FOR SERVICE RETIREMENT FOR PEACE OFFICERS. (a) This section applies notwithstanding any other law, including Section [824.202](#).

(b) A member who is at least 55 years old and who has at least 10 years of service credit as a peace officer engaged in law enforcement activities by a school district or institution of higher education is eligible to retire and receive a service retirement annuity.

(c) A member who has at least 20 years of service credit as a peace officer is eligible to retire regardless of age and receive a standard service retirement annuity in an amount provided by

1 Section [824.203](#) or 824.2035, as applicable.

2 (d) The standard combined service retirement annuity that
3 is payable under Section [824.203](#) or 824.2035, as applicable, is
4 based on retirement on or after the attainment of the normal
5 retirement age, which for purposes of this section is the earlier of
6 either the age of 57 or the age at which the sum of the member's age
7 and amount of service credit equals the number 80. The annuity of a
8 peace officer who retires before reaching the age of 57 under any
9 eligibility criteria is actuarially reduced by five percent for
10 each year of difference between the member's age at retirement and
11 57. The actuarial reduction described by this section is in
12 addition to any other actuarial reduction required by law.

13 (e) A peace officer who retires before attaining the age of
14 50 is entitled only to an annuity that is actuarially reduced from
15 the annuity available at the age of 50 to the peace officer whose
16 service credit annuity amount is based on the sum of the member's
17 age and amount of peace officer service credit and other service
18 credit, and is not entitled to have the annuity recalculated at
19 normal retirement age. The standard or reduced annuity under this
20 section is payable from appropriate accounts described by Section
21 [825.306](#).

22 Sec. 824.2035. SERVICE RETIREMENT BENEFITS FOR CERTAIN
23 PEACE OFFICERS. (a) This section applies to a member subject to
24 Section 824.2025(c) who renders service as a peace officer after
25 September 1, 2020.

26 (b) The standard service retirement annuity payable for a
27 peace officer subject to this section is an amount computed on the

1 basis of the member's average annual compensation for the five
2 years of service, whether or not consecutive, in which the member
3 received the highest annual compensation, times the sum of the
4 percentage factor used in the computation of a standard service
5 retirement annuity under Section 824.203 plus 0.5 percent.

6 (c) Optional retirement annuities provided by Section
7 824.204 are available to a member eligible to receive a service
8 retirement annuity under this section.

9 (d) The total combined amount of an annuity under this
10 section may not be less than the authorized benefit under
11 Subsection (b) subtracted by any amount necessary because of
12 selection of an optional annuity, because of retirement before the
13 normal retirement age, or as provided by Subsection (e).

14 (e) The standard combined service retirement annuity
15 payable for at least 20 years of service credit as a peace officer
16 may not exceed 100 percent of the average compensation computed
17 under Subsection (b).

18 (f) For purposes of this section, service as a peace officer
19 is creditable as provided by rule of the board of trustees or on a
20 month-to-month basis, whichever is greater.

21 SECTION 3. Subchapter D, Chapter 824, Government Code, is
22 amended by adding Section 824.3045 to read as follows:

23 Sec. 824.3045. DISABILITY RETIREMENT BENEFITS FOR CERTAIN
24 PEACE OFFICERS. (a) An annuity payable for a disability resulting
25 from a risk to which peace officers are exposed because of the
26 nature of the officers' duties is payable under the same terms and
27 conditions that apply to other disability retirement annuities

1 under this subtitle.

2 (b) Except as provided by Subsection (c), a disability
3 retirement annuity under this section is an amount, but not more
4 than 100 percent, computed on the basis of the officer's average
5 annual compensation, times a percentage derived by application of
6 Section 824.2035(b).

7 (c) A disability retirement annuity under this section is
8 not reducible because of age and may not be less than 50 percent of
9 the officer's average annual compensation regardless of the amount
10 of service credited to the officer.

11 (d) If a retiring member or retiree under this section
12 presents evidence satisfactory to the retirement system that the
13 person's disability makes the person incapable of substantial
14 gainful activity solely because of the disability and is considered
15 a total disability under federal social security law, the
16 retirement system shall increase the person's disability
17 retirement annuity to 100 percent of the officer's average annual
18 compensation.

19 (e) An annuity increase under Subsection (d) is not payable
20 before the first month following the month in which the
21 satisfactory evidence is received by the retirement system under
22 Subsection (d).

23 SECTION 4. Subchapter E, Chapter 824, Government Code, is
24 amended by adding Section 824.4025 to read as follows:

25 Sec. 824.4025. ANNUITY FOR SURVIVOR OF PEACE OFFICER. If a
26 member who has at least 20 years of service credit as a peace
27 officer dies, the amount of the death benefit annuity payable for

1 the member's service as a peace officer is an amount computed under
2 Section 824.2035, including any applicable reduction factors.

3 SECTION 5. Section 825.402, Government Code, is amended to
4 read as follows:

5 Sec. 825.402. RATE OF MEMBER CONTRIBUTIONS. (a) Except as
6 provided by Subsection (b), the ~~[The]~~ rate of contributions for
7 each member of the retirement system is:

8 (1) five percent of the member's annual compensation
9 or \$180, whichever is less, for service rendered after August 31,
10 1937, and before September 1, 1957;

11 (2) six percent of the first \$8,400 of the member's
12 annual compensation for service rendered after August 31, 1957, and
13 before September 1, 1969;

14 (3) six percent of the member's annual compensation
15 for service rendered after August 31, 1969, and before the first day
16 of the 1977-78 school year;

17 (4) 6.65 percent of the member's annual compensation
18 for service rendered after the last day of the period described by
19 Subdivision (3) and before September 1, 1985;

20 (5) 6.4 percent of the member's annual compensation
21 for service rendered after August 31, 1985, and before September 1,
22 2014;

23 (6) 6.7 percent of the member's annual compensation
24 for service rendered after August 31, 2014, and before September 1,
25 2015;

26 (7) 7.2 percent of the member's annual compensation
27 for service rendered after August 31, 2015, and before September 1,

1 2016;

2 (8) 7.7 percent of the member's annual compensation
3 for service rendered after August 31, 2016, and before September 1,
4 2017; and

5 (9) for service rendered on or after September 1,
6 2017, the lesser of:

7 (A) 7.7 percent of the member's annual
8 compensation; or

9 (B) a percentage of the member's annual
10 compensation equal to 7.7 percent reduced by one-tenth of one
11 percent for each one-tenth of one percent that the state
12 contribution rate for the fiscal year to which the service relates
13 is less than the state contribution rate established for the 2015
14 fiscal year.

15 (b) For service rendered after September 1, 2020, the rate
16 of contributions for each member of the retirement system who is a
17 peace officer is 9.5 percent of the member's annual compensation.

18 SECTION 6. Subchapter E, Chapter 825, Government Code, is
19 amended by adding Section 825.4093 to read as follows:

20 Sec. 825.4093. EMPLOYER CONTRIBUTIONS FOR PEACE OFFICERS.

21 (a) This section applies to an employer who reports to the
22 retirement system the employment of a peace officer for service
23 rendered as a peace officer after September 1, 2020.

24 (b) In addition to employer contributions otherwise
25 required under this subchapter, for each peace officer the employer
26 reports to the retirement system, the employer shall contribute
27 monthly to the retirement system one percent of the member's

1 compensation.

2 (c) Contributions under this section are subject to the
3 requirements of Section 825.408.

4 SECTION 7. Subchapter F, Chapter 825, Government Code, is
5 amended by adding Section 825.5155 to read as follows:

6 Sec. 825.5155. CERTIFICATION OF NAMES OF PEACE OFFICERS.
7 Not later than the 12th day of the month following the month in
8 which a person begins or ceases employment as a peace officer, the
9 employer shall certify to the retirement system, in the manner
10 prescribed by the system, the name of the employee and such other
11 information as the system determines is necessary for the crediting
12 of service and financing of benefits under this subtitle.

13 SECTION 8. Section 824.3045, Government Code, as added by
14 this Act, applies only to the disability retirement annuity of a
15 peace officer who applies for the annuity on or after the effective
16 date of this Act. The disability retirement annuity of a person who
17 applies for the annuity before the effective date of this Act is
18 governed by the law as it existed immediately before the effective
19 date of this Act, and that law is continued in effect for that
20 purpose.

21 SECTION 9. Section 824.4025, Government Code, as added by
22 this Act, applies only to a death benefit annuity that is applied
23 for on or after the effective date of this Act. A death benefit
24 annuity applied for before the effective date of this Act is
25 governed by the law as it existed immediately before the effective
26 date of this Act, and that law is continued in effect for that
27 purpose.

1 SECTION 10. The board of trustees of the Teacher Retirement
2 System of Texas shall adopt rules as soon as possible after the
3 effective date of this Act to implement the changes in law made by
4 this Act, including rules that ensure that any benefit paid to the
5 member under Section 824.2035, Government Code, as added by this
6 Act, is reasonably proportionate to the member's contribution under
7 Section [825.402](#), Government Code, as amended by this Act.

8 SECTION 11. This Act takes effect September 1, 2019.