**BILL ANALYSIS**

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| Senate Research Center | S.B. 1207 |
|  | By: Menéndez |
|  | Finance |
|  | 6/7/2023 |
|  | Enrolled |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Bexar County retirement system provides benefits for retired firefighters and police officers. However, the retirement benefits are not adjusted to account for the rising cost of living. Without a COLA, retirees' purchasing power decreases over time, making it challenging to maintain a standard of living. The language of this bill has been agreed upon by its affected stakeholders.

Solution:

S.B. 1207 aims to provide firefighters and police officers in the retirement system in Bexar County a cost of living adjustment to keep up with the increasing costs of living.

S.B. 1207 defines who would apply to receive a COLA by defining the different groups who are on pension checks. Additionally, the bill adds clauses in which individuals related to the retired or officer experiencing disability would receive upon death or incapacitation of the recipient. If a person was to incapacitate or kill the recipient to receive the funds from said individuals pension, they would have to visit with an oversight board in order to determine what actions to take and whether or not that descendent or relative would even continue to receive pension money.

S.B. 1207 also increases in payment for families who have had their spouse killed in the line of duty. Moreover, adopted children after death will not receive annuities. These cost of living adjustments will be awarded to those who are: 70-1/2 years of age or more or have retired.

(Original Author's/Sponsor's Statement of Intent)

S.B. 1207 amends current law relating to the retirement system in certain municipalities for firefighters and police officers.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 1.02(4-a), (5), (7), and (17), Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), to redefine "catastrophic injury," "code," "dependent child," and "total salary."

SECTION 2. Amends Section 2.02, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), by amending Subsections (a) and (b) and adding Subsection (b-1), as follows:

(a) Provides that the mayor of a municipality to which this Act applies, or a qualified mayoral designee, serves on the board of trustees of a fire fighters and police officers pension fund (board; fund) for the term of the mayor's office, provided that, rather than except that, if the mayor appoints a qualified mayoral designee, the mayor is authorized to replace or remove that qualified mayoral designee at the mayor's discretion, and the term of the mayor or the mayor's qualified mayoral designee, as applicable, on the board expires on the date the mayor ceases to be mayor of the municipality for any reason.

(b) Provides that the two members of the municipal governing body serve on the board for the term of the office to which they are elected or appointed, provided that the term of the member on the board expires on the day the member ceases to be a member of the municipal governing body for any reason.

(b-1) Requires the governing body of a municipality to fill a vacancy on the board under Section 2.01(a)(2) (relating to providing that the board includes two members of certain municipalities) of this Act in the manner provided by Subsection (b) of this section.

SECTION 3. Amends Section 3.01(a), Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), as follows:

(a) Provides that the board has complete authority and power to:

(1) makes no changes to this subdivision;

(2) disburse benefits or otherwise order payments from the fund as required by this Act; and

(3)-(5) makes no changes to these subdivisions.

SECTION 4. Amends the heading to Section 3.03, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), to read as follows:

Sec. 3.03. DISBURSEMENTS OF BENEFITS.

SECTION 5. Amends Section 3.03(b), Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), to prohibit disbursements of benefit, rather than disbursements, from being made without a record vote of the board.

SECTION 6. Amends Section 4.03, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), by amending Subsections (b), (c), and (f) and adding Subsections (f-1) and (i), as follows:

(b) Authorizes a member, subject to Subsections (c) and (e) (relating to a prohibition on the amount of credit purchased) of Section 4.03 (Uniformed Service), to restore credit not established during the period the member was engaged in active service in any uniformed service by paying into the fund an amount equal to what the member would have paid during that period if the member had remained on active status in the fire or police department. Deletes existing text requiring the member, not later than the 90th day after the date of the member's reinstatement to an active status in the fire or police department, to file with the secretary of the board a written statement of intent to pay into the fund an amount equal to what the member would have paid if the member had remained on active status in the department during the period of the member's absence in the uniformed service.

(c) Requires the member to make the payment described by Subsection (b) of this section in full within an amount of time after the member's return to active status in the fire or police department that is equal to three times the amount of time the member was engaged in active service with the uniformed service, rather than three times the amount of time the member was absent, except that the maximum period for payment is prohibited from exceeding five years.

(f) Authorizes the member, if a member does not make a payment authorized under Subsection (b) of this section within the time prescribed by Subsection (c) of this section and the member would otherwise be eligible for credit under federal law, to receive credit for the uniformed service if:

(1) the board determines that the member had good cause for not complying with Subsection (b) or (c) of this section; and

(2) creates this subdivision from existing text.

Deletes existing text authorizing the member, if a person who became a member before October 1, 1997, does not make the payment required under Subsection (c) of this section within the required amount of time and the member would otherwise be eligible for credit under federal law, to receive credit for the uniformed service if the member also pays interest, compounded annually, on the then current rate of a member's contribution from the date the payment was required to the date the payment was made.

(f-1) Requires the board to set the rate of interest for purposes of Subsection (f)(2) of this section.

(i) Provides that the survivors of a member of the fund who dies while performing qualified military service, as defined in Section 414(u) of the United States Internal Revenue Code of 1986 (code), are entitled to any additional benefits, other than benefit accruals relating to the period of qualified military service, that would have been provided if the member had returned to active status in the fire or police department and then terminated employment as the result of death.

SECTION 7. Amends Section 5.03, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), by amending Subsections (a), (a-1), (c), and (d) and adding Subsection (a-3), as follows:

(a) Provides that an active member of the fund who is not eligible to receive a catastrophic injury disability annuity under Subsection (a-1) (relating to requirements for a member of the fund to receive certain benefits) of Section 5.03 (Eligibility for Disability Retirement) is eligible to retire and receive a regular disability retirement annuity only if the member:

(1) makes no change to this subdivision;

(2) establishes to the satisfaction of the board that the member is permanently disabled through injury or disease so as to be unable to perform the duties of any available position in the department and, unless waived by the board, has been off active duty because of that injury or disease for a continuous period of not less than the 30 days preceding, rather than before, the date of the application for disability retirement;

(3) makes no change to this subdivision;

(4) is not disqualified from receiving a disability retirement annuity under, rather than is not on indefinite suspension as described in, Subsection (d) of this section; and

(5) makes no change to this subdivision.

(a-1) Makes conforming changes to this subsection.

(a-3) Authorizes the board, in making any determination under this section, to consider or require any evidence the board considers necessary or appropriate to make the determination.

(c) Provides that a member who is on suspension for a specific period, including a member whose indefinite suspension is reversed or modified to a suspension for a specific period, and who becomes disabled as a result of an injury sustained or disease contracted while the member is on suspension is eligible for a disability retirement annuity under Subsection (a) or (a-1) of this section, as applicable, only if the suspended member makes up each contribution to the fund not made by the member by reason of the suspension not later than the 30th day after the later of the termination date of the suspension or the date the suspension becomes final in accordance with Section 6.105 of this Act.

Deletes existing text providing that a member of the fund who is on suspension and who becomes disabled as a result of an injury sustained or disease contracted while the member is on suspension is eligible for a disability retirement annuity under Subsection (a) or (a-1) of this section, as applicable, except as provided by Subsection (d) of this section, if the suspended member makes up each deducted contribution lost by reason of the suspension not later than the 30th day after the later of the termination date of the suspension or the exhaustion of any appeal with respect to the suspension.

(d) Provides that a member of the fund who is on indefinite suspension, excluding an indefinite suspension reversed or modified to be a suspension for a specific period, that becomes final in accordance with Section 6.105 of this Act or who is terminated by the municipality, is not entitled to a disability retirement annuity.

Deletes existing text providing that a member of the fund who is on indefinite suspension is not eligible for a disability retirement annuity until the final determination of the suspension and all appeals of that determination are exhausted. Deletes existing text providing that a member of the fund who is on indefinite suspension is not entitled to a disability retirement annuity if the member is finally discharged. Deletes existing text providing that a member of the fund who is on indefinite suspension but who is restored to duty or who is given a suspension for a specific period is eligible for a disability retirement annuity as provided by Subsection (a) of this section.

SECTION 8. Amends Sections 5.04(a) and (a-1), Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), to make conforming and nonsubstantive changes.

SECTION 9. Amends Sections 5.05(a-1), (a-3), (c), and (c-1), Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), as follows:

(a-1) Requires a disability retiree who is awarded a catastrophic injury disability annuity under Section 5.03(a-1) of this Act, if required by the board, to undergo a medical examination by any reputable physician or physicians selected by the board within certain time limits.

(a-3) Requires the board, subject to Subsections (b) (relating to authorizing the board to make certain changes to annuities for persons retired because of disability before August 30, 1971) and (c), rather than subject to Subsection (c), of Section 5.05 (Medical Reexamination and Reduction of Disability Retirement Benefits), based on an examination under Subsection (a) (relating to authorizing the board to require an examination), (a-1), or (a-2) (relating to authorizing the board to require additional examinations) of this section, to determine whether the disability retirement annuity is required to be continued, decreased, restored to the original amount if it had been decreased, or discontinued. Makes a nonsubstantive change.

(c) Prohibits the disability retirement annuity for those retired because of disability on or after August 30, 1971, except in the case of discontinuance, from being reduced to an amount that is less than the product of certain amounts. Makes nonsubstantive changes.

(c-1) Makes a conforming change to this subsection.

SECTION 10. Amends the heading to Section 5.07, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), to read as follows:

Sec. 5.07. OUTSIDE INCOME PENSION SUSPENSION OR REDUCTION.

SECTION 11. Amends Section 5.07, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), by adding Subsections (a-1) and (c) and by amending Subsection (b), as follows:

(a-1) Authorizes the board, if a retiree fails to provide an income tax return to the board under Subsection (a) (relating to the requirement for certain retirees to supply tax returns to the board) of this section, to suspend the retiree's disability retirement annuity until the retiree provides the required income tax return.

(b) Authorizes the board, subject to Subsection (c) of this section, if the retiree received income from other employment, including self-employment, during the preceding year, to reduce the retiree's disability retirement annuity by the amount of $1 for each month for each $2 of income earned by the retiree from the other employment during each month of the previous year, except that the disability retirement annuity is prohibited from being decreased below the amount determined under Section 5.05(c) of this Act.

(c) Authorizes the board to restore a disability retirement annuity that has been reduced under Subsection (b) of this section. Requires that the amount of the restored annuity be the same as the amount of the annuity before the reduction plus any applicable cost-of-living increases under Section 5.09 (Cost-of-Living Increases) of this Act that occurred during the period the annuity was reduced. Provides that this subsection does not require the board to allow or deny cost-of-living increases in any other circumstances.

SECTION 12. Amends Section 5.10, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), by amending Subsections (b), (c), (d), (f), and (j) and adding Subsections (b-1) and (d-1), as follows:

(b) Authorizes a distributee to elect, at the time and in the manner prescribed by the board, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover. Deletes existing text providing that any member or beneficiary who is entitled to receive any distribution that is an eligible rollover distribution as defined by Section 402(c)(4) of the code is entitled to have that distribution transferred directly to another eligible retirement plan of the member's or beneficiary's choice on providing direction to the fund regarding that transfer in accordance with procedures established by the board.

(b-1) Defines "direct rollover," "distributee," "eligible retirement plan," and "eligible rollover distribution."

(c) Prohibits the total salary taken into account for any purpose under this Act from exceeding the annual compensation limitation under Section 401(a)(17) of the code, effective January 1, 2017, which is $405,000 for an eligible member or $270,000 for an ineligible member. Provides that an eligible member, for purposes of this subsection, is any employee who first became a member before 1996 and an ineligible member is any other member. Requires that the dollar limits be adjusted annually for cost-of-living increases as provided by Section 401(a)(17) of the code, rather than requires that these dollar limits be periodically adjusted in accordance with guidelines provided by the United States secretary of the treasury.

Deletes existing text prohibiting the total salary taken into account for any purpose for any member of the fund from exceeding $200,000 per year for an eligible participant or $150,000 per year for an ineligible participant. Deletes existing text providing that an eligible participant, for purposes of this subsection, is any person who first became a member before 1996, and an ineligible participant is any member who is not an eligible participant.

(d) Provides that accrued benefits under this Act become 100 percent vested for a member on the earlier of:

(1) the date the member attains normal retirement age, rather than has completed 20 years of service; or

(2)-(3) makes no change to these subdivisions.

(d-1) Defines "normal retirement age."

(f) Requires that distribution of benefits:

(1) begin not later than April 1 of the year following the later of the calendar year in which the member becomes 70-1/2 years of age or retires; and

(2) otherwise conform to Section 401(a)(9) of the code and the regulations adopted under that section of the code, including regulations governing the incidental death benefit distribution requirements.

Makes nonsubstantive changes.

(j) Requires that the limitations on benefits imposed by Section 415 of the code and Subsection (a) (relating to limitations and reductions of benefits) of Section 5.10 (Coordination with Federal Law), notwithstanding any other provision of this Act, be adjusted each year to the extent permitted by cost-of-living increases announced by the secretary of the treasury under Section 415(d) of the code and applicable law. Provides that a cost-of-living increase described by this subsection applies to members who have terminated employment, including members who have begun receiving benefits before the effective date of the increase, and any benefits previously denied. Provides that benefits paid to make up for benefits previously denied are considered the delayed payment of benefits earned before retirement and not extra compensation earned after retirement.

Deletes existing text authorizing the board, to the extent permitted by law, to adjust the benefits of retired members and beneficiaries by increasing any retirement benefit that was reduced because of Section 415 of the code. Deletes existing text authorizing the board, if Section 415 of the code is amended to permit the payment of amounts previously precluded under Section 415 of the code, to adjust the benefits of retired members and beneficiaries, including the restoration of benefits previously denied. Deletes existing text providing that benefits paid under this subsection are not considered as extra compensation earned after retirement but as the delayed payment of benefits earned before retirement.

SECTION 13. Amends Section 5.11, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), by adding Subsection (b-1), as follows:

(b-1) Requires that the 13th check, if a retiree is entitled to receive a 13th check in accordance with Subsection (b) (relating to the amount of the 13th check within a fiscal year) of Section 5.11 (13th Check for Retirees), but dies before payment of the 13th check and has no surviving spouse or dependent child, be paid to the retiree's estate.

SECTION 14. Amends Section 5.12, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), by adding Subsection (c-1), as follows:

(c-1) Requires that the 14th check, if a retiree is entitled to receive a 14th check in accordance with Subsection (c) (relating to the amount of the 14th check within a fiscal year) of Section 5.13 (14th Check for Retirees), but dies before payment of the 14th check and has no surviving spouse or dependent child, be paid to the retiree's estate.

SECTION 15. Amends Section 6.01(b), Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), to provide that a dependent child, subject to the applicable provisions of this Act, including Section 6.02(j) of this Act, is entitled to receive benefits based on the service of any parent who is a member of the fund.

SECTION 16. Amends Section 6.02, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), by amending Subsections (a), (d), (d-2), (e), (f), (g), and (j) and adding Subsections (a-1) and (c-1), as follows:

(a) Authorizes the surviving spouse to elect the annuity in an amount that is equal to either:

(1) 75, rather than 50, percent of the member's average total salary; or

(2) makes no changes to this subdivision.

Deletes existing text providing that the surviving spouse and the children, subject to Section 6.03 of this Act and the provisions of Section 6.02 (Death Benefit Annuity for Surviving Spouses and Children), if a retiree receiving a disability pension under Section 5.03(a) of this Act dies leaving a surviving spouse or at least one dependent child, are entitled to receive from the fund an aggregate death benefit annuity, computed and payable from the date of the member's death.

(a-1) Provides that this subsection applies only to a death benefit annuity payable under Subsection (a) of this section on August 31, 2023, that is based on the service of a member who died after September 1, 2005, but before September 1, 2023. Requires that the amount of the annuity, if the amount of a death benefit annuity subject to this section is less than 75 percent of the member's average total salary, excluding any applicable cost-of-living increases to the annuity under Section 5.09 of this Act, and the member's surviving spouse did not elect to receive a portion of the benefit in a lump-sum payment under Section 6.14 (Lump-Sum Payment Election for Surviving Spouses) of this Act, increase beginning on September 1, 2023, to an amount equal to 75 percent of the member's average total salary plus the amount of any cost-of-living increases provided under Section 5.09 of this Act. Provides that a member's surviving spouse or dependent child who is receiving an annuity subject to this section is not entitled to any additional payment under this subsection for the period before September 1, 2023.

(c-1) Provides that the surviving spouse and dependent children, subject to the provisions of this section, if a retiree receiving a disability pension under Section 5.03(a) of this Act dies leaving a surviving spouse or at least one dependent child, are entitled to receive from the fund an aggregate death benefit annuity, computed and payable from the date of the retiree's death, equal to 50 percent of the retiree's average total salary as of the date of retirement.

(d) Requires the board, subject to Subsection (d-2) of this section, if, at the time a death benefit annuity becomes payable under Subsection (a), (c) (relating to entitling the surviving spouse, if there are no children, to receive an amount not to exceed 57.50 percent of the average total salary, excluding overtime pay, of the deceased member computed as provided under a certain subsection), or (c-1) of this section, the deceased member or retiree leaves a surviving spouse and at least one dependent child, to award:

(1)-(2) makes no changes to these subdivisions.

(d-2) Requires the dependent child or children, if, at the time a death benefit annuity becomes payable under Subsection (a), (c), or (c-1) of this section, a retiree, rather than a deceased member or retiree, leaves a surviving spouse who is not entitled to an annuity on the date of the retiree's death under Subsection (g-1) (relating to the entitlement to benefits of certain spouses) of this section as the result of Subsection (g-3) (relating to the entitlement to benefits for spouses of certain ages) of this section and the deceased retiree has one or more dependent children, to be awarded 100 percent of the death benefit annuity until the annuity to the surviving spouse becomes payable, rather than effective, under Subsection (g-3) of this section.

(e)-(f) Makes conforming changes to these subsections.

(g) Provides that a child who is adopted after the date of retirement of the member is not entitled to a death benefit annuity under this Act.

(j) Provides that a dependent child as defined by Section 1.02(7)(B) (relating to a dependent child being a person with certain qualifications) of this Act has the same rights as a dependent child as defined by Section 1.02(7)(A) (relating to a dependent child being a person who is less than 18 years of age and is a natural or adopted child of a deceased member or deceased retiree) of this Act, except that any death benefit annuity paid under this section, rather than subsection, to a dependent child as defined by Section 1.02(7)(B) of this Act is authorized to, at the discretion of the board, be reduced to the extent of any state pension or aid, including Medicaid, or any state-funded assistance received by the child, regardless of whether the funds were made available to the state by the federal government.

SECTION 17. Amends Section 6.03, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), as follows:

Sec. 6.03. New heading: DEATH BENEFIT ANNUITY FOR SPOUSE AND CHILDREN OF MEMBER KILLED IN LINE OF DUTY. (a) Provides that the death benefit annuity of a surviving spouse and any dependent child of a member of the fund who is killed in the line of duty is governed by this section.

(a-1) Provides that a member of the fund is considered to have been killed in the line of duty if the member's death directly resulted from traumatic injury sustained while engaging in or conducting simulated training of a law enforcement activity, fire suppression activity, rescue, hazardous material response, emergency medical services, disaster relief, or other emergency response activity. Defines "traumatic injury."

(b) Deletes existing text requiring the board to consider the finding of a municipality to which this Act applies that a member was killed in the line of duty as a guideline for its determination in applying this section.

(c) Provides that the member's surviving spouse and dependent children, notwithstanding the formulas for computing the total amounts of annuities otherwise provided by this Act, if a member is killed in the line of duty, are entitled to a death benefit annuity equal to:

(1) the total salary the member received during the 12-month period before the date of the member's death, if the member served 12 months or more before the date of the member's death, rather than the total salary of the member at the time of death;

(2) the average monthly total salary the member received before the date of the member's death multiplied by 12, if the member served at least two months and less than 12 months before the date of the member's death; or

(3) the average daily total salary the member received before the date of the member's death multiplied by 360, if the member served less than two months before the date of the member's death.

(d) Provides that the provisions of this Act, rather than rules provided by this section, relating to qualification and disqualification for and apportionment of benefits apply to a death benefit annuity computed under this section, rather than subsection. Makes conforming changes.

SECTION 18. Amends Section 6.04, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), as follows:

Sec. 6.04. New heading: EFFECT OF MARRIAGE ON BENEFITS. (a) Provides that the right of a surviving spouse or dependent child to annuity payments under this Act, except as provided by Subsection (e) of this section, is not affected by the surviving spouse's marriage, rather than remarriage, or dependent child's marriage under either statutory or common law if the marriage takes place on or after October 1, 1995. Makes nonsubstantive and conforming changes.

(b) Provides that this subsection applies to a surviving spouse or dependent child whose marriage under either statutory or common law took place before October 1, 1995, and resulted in a termination of benefits under the law in effect at the time of the marriage. Provides that the surviving spouse or dependent child, as applicable, rather than that person, subject to Subsection (d) of this section and except as provided by Subsection (e) of this section, if on, rather than if after, October 1, 1995, the surviving spouse or dependent child is unmarried or if after October 1, 1995, there is a termination of the marriage of a surviving spouse or dependent child, is entitled, on application, to 100 percent of the annuity that was in effect on the date of the termination of benefits, payable from the date of the termination of the marriage. Provides that a surviving spouse or dependent child entitled to an annuity under this subsection is also entitled to any applicable cost-of-living increases under Section 5.09 of this Act that occurred on or after the date the marriage terminated. Makes conforming and nonsubstantive changes.

Deletes existing text of Subsection (c) providing that a surviving spouse or dependent child who is unmarried but receiving reduced benefits because of a prior marriage that caused the benefits to be terminated is entitled to 100 percent of the annuity that was in effect on the original date of termination of benefits.

(d) Makes conforming changes to this subsection.

(e) Requires a person to be living at the time of application to be eligible for benefits under this section.

SECTION 19. Amends Section 6.06, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), as follows:

Sec. 6.06. COMMON-LAW MARRIAGES. Provides that the date the declaration of informal marriage is recorded under Section 2.404 (Recording of Certificate or Declaration of Informal Marriage), Family Code, is the date of marriage for the purpose of determining whether any benefit is to be awarded to a surviving common-law spouse as a beneficiary under this Act.

SECTION 20. Amends Section 6.09(b), Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), as follows:

(b) Deletes existing text providing that the findings of the board under Section 6.09 (Death Benefit Annuities to Dependent Parents) and all annuities granted under this section are final on all parties unless set aside or revoked by a court of competent jurisdiction.

SECTION 21. Amends Section 6.10, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), as follows:

Sec. 6.10. SUSPENSION RIGHTS. (a) Provides that the member's beneficiary, except as provided by Subsection (b) of this section, if a member dies who is on suspension at the time of the member's death, has the same rights as the beneficiaries of any other member under this Act. Deletes existing text providing that the member's beneficiaries, if a member dies who is under suspension at the time of death, including an indefinite suspension that has not become final, have the same rights as the beneficiaries of any other member under this Act.

(b) Provides that the member's beneficiary, if a member dies who is on indefinite suspension that has not become final as of the date of the member's death, has the same rights as the beneficiaries of any other member under this Act in accordance with Subsection (a) of this section only if the member's beneficiary provides sufficient evidence to the board to establish to the board's satisfaction that:

(1) an administrative appeal of the indefinite suspension to the municipality was being actively pursued at the time of death; and

(2) the member had a reasonable chance of having the indefinite suspension reversed or modified to be a suspension for a specific period.

SECTION 22. Amends Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), by adding Section 6.105, as follows:

Sec. 6.105. DATE SUSPENSION FINAL. Provides that an indefinite suspension or a suspension for a specific period, for purposes of this Act, becomes final on the date any administrative appeal of the suspension to the municipality has been finally adjudicated by the municipality, or if no administrative appeal of the suspension is made to the municipality, after the last day of the period for initiating an administrative appeal has elapsed.

SECTION 23. Amends Section 6.12, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), by amending Subsection (b) and adding Subsection (c), as follows:

(b) Provides that the amount of the 13th or 14th check is equal to the amount of the annuity payment made in the last month of the preceding fiscal year, except that the amount of the check is required to be prorated for any beneficiary of:

(1) a member who died during the fiscal year preceding the fiscal year in which the check is disbursed, rather than who has been receiving an annuity for less than one year, so that the amount of the check is one-twelfth of the check that would have been paid to the beneficiary receiving an annuity for a full year times the number of full months an annuity has been paid; or

(2) a retiree who retired and died during the fiscal year preceding the fiscal year in which the check is disbursed so that the amount of the check is one-twelfth of the check that would have been paid to the beneficiary receiving an annuity for a full year times the number of full months from the date of the retiree's retirement to the end of the fiscal year.

(c) Requires that the 13th or 14th check, if a beneficiary is entitled to receive a 13th or 14th pension check in accordance with Subsection (a) (relating to the requirement to disburse 13th and 14th checks to beneficiaries) of Section 6.12 (13th and 14th Checks for Beneficiaries) but dies before payment of the 13th or 14th check, be paid to the beneficiary's estate.

SECTION 24. Amends Section 6.14(i), Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), as follows:

(i) Provides that the total death benefit annuity payable under Section 6.02 of this Act, if a surviving spouse elects to receive a lump-sum payment under this section, is reduced as provided by Subsection (j) (relating to determining the reduced annuity in the manner of this Act for retired members) of this section. Provides that the lump-sum election does not affect the amount of a death benefit annuity payable to a dependent child of a deceased member under Section 6.02 of this Act while a death benefit annuity is payable to the surviving spouse.

SECTION 25. Amends Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), by adding Section 6.15, as follows:

Sec. 6.15. DENIAL OF BENEFITS; DEATH CAUSED BY SURVIVOR. (a) Provides that a person, if the person is the principal or an accomplice in wilfully bringing about the death of a member or beneficiary whose death would otherwise result in a benefit or benefit increase to the person, is not eligible for, or entitled to, that benefit or benefit increase. Requires that the determination of the board that a person wilfully brought about the death, or was an accomplice in wilfully bringing about the death, be made during a meeting of the board. Provides that a determination by the board under this section is not controlled by any other finding in any other forum.

(b) Requires that a benefit or benefit increase payable under this Act because of the death of a member or beneficiary be paid as if the person who is no longer eligible for or entitled to the benefit under Subsection (a) of this section predeceased the member or beneficiary.

SECTION 26. Repealer: Section 3.03(a) (relating to requiring the board to issue orders for disbursements signed by the chairman or the vice-chairman and the secretary of the board to the appropriate persons), Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes).

SECTION 27. Makes application of Section 5.03, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), as amended by this Act, prospective.

SECTION 28. Provides that Sections 5.11(b-1) and 5.12(c-1), Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), as added by this Act, and Section 6.12, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), as amended by this Act, apply only to a 13th or 14th check that is disbursed on or after the effective date of this Act. Provides that a 13th or 14th check disbursed before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 29. Provides that Sections 6.02 and 6.03, Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), as amended by this Act, except as provided by Section 6.02(a-1), Chapter 824 (S.B. 817), Acts of the 73rd Legislature, Regular Session, 1993 (Article 6243o, Vernon's Texas Civil Statutes), as added by this Act, apply only to a death benefit annuity for which an application is made on or after the effective date of this Act. Provides that a death benefit annuity for which an application is made before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 30. Effective date: September 1, 2023.