

BILL ANALYSIS

H.B. 2464
By: Price
Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Inflation is a much-discussed topic in our nation and state as the rate of inflation reached a high in the summer of 2022, not seen in many decades. The U.S. Bureau of Labor Statistics recently reported that over the last 12 months the all items consumer price index increased approximately 6.0 percent before seasonal adjustment. Inflation, the decline in the value of money as illustrated by the general increase in the costs of goods and services, leaves many individuals and families with less purchasing power. Retirees, including beneficiaries of retirement plans, are especially hurt economically by inflation because they generally live on a fixed income without having an increase in wages. Some retirees are able to obtain some relief if their fixed income is increased to an extent by a cost-of-living adjustment (COLA). Retirees and beneficiaries of the Texas Municipal Retirement System (TMRS) are among those needing a COLA. H.B. 2464 seeks to create optional annuity increases for retirees and beneficiaries of TMRS.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

H.B. 2464 amends the Government Code to authorize the governing body of a municipality participating in the Texas Municipal Retirement System that adopts an ordinance providing for increased retirement annuities effective January 1 of 2024 or 2025 to elect to compute the annuity increase as the sum of prior and current service annuities of the person on whose service the annuities are based on the effective date of the annuity increase multiplied by the percentage increase specified in the ordinance. The bill prohibits an annuity adjustment that occurs after the annuity starting date from causing an annuitant's annuity to exceed the amount to which the annuitant would be entitled had the maximum amount of the annuity increase allowed under state law providing for the optional increase in retirement annuities by ordinance been applied to the annuity. These provisions expire December 31, 2025.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.