

BILL ANALYSIS

Senate Research Center
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H.B. 4034
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Finance
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Tragically, in the past 131 years, 130 Dallas first responders have lost their lives while on active duty as police and firemen. When an active member of the Dallas Fire Department or Dallas Police Department dies in the line of duty, their spouse and children are typically only able to access 50 percent of their loved one's pension benefit. The Dallas Police and Fire Pension (DPFP) system currently treats all deaths as an "active duty death" rather than a "line of duty death." An active duty death occurs when an employee dies but the death was unrelated to their job. A line of duty death refers to the employee dying as a direct result of their job. DPFP's governing board (board) is seeking to resolve problems arising from this distinction so that the spouses and children of those who have died may receive the benefits they deserve. The board also seeks to increase disability benefits for active members.

H.B. 4034 resolves these issues by increasing the line of duty death benefit under DPFP for all active members to a 100 percent benefit and offering 100 percent to children until they reach the age of 19 if there is no spouse of the deceased member. H.B. 4034 also raises disability benefits to 2.5 percent for each year of service. This will ensure Dallas-area families that have lost a loved one to public service will not also lose the financial security they rightfully deserve.

Key provisions:

- H.B. 4034 amends Section 6.04(f)(1)(B), Article 6243a-1, Revised Statutes, to conform the disability benefit for all active members for service time earned on or after September 1, 2017, to be 2.5 percent for each year of service. Currently, it is lower for active members who started service prior to March 1, 2011, if they are not age 58.
- H.B. 4034 amends Section 6.08(b)(1)(A)(ii) to conform the death benefit for all active members for service time earned on or after September 1, 2017, to be 1.25 percent for each year of service. Currently, it is lower for active members who started service prior to March 1, 2011, if they are not age 58.
- H.B. 4034 adds Section 6.08(b-4) to change the line of duty death benefit for all active members to a 100 percent benefit (currently it is 50 percent). These changes also provide that it will be 100 percent for children until they reach age 19 if the parents are divorced or if the spouse of the active member is deceased.
- H.B. 4034 adds Section 6.08(b-5) to provide a guideline for the board to make determinations as to whether a death is in the line of duty.

Support: Dallas Police and Fire Pension System

H.B. 4034 amends current law relating to certain disability and death benefits payable by the public retirement systems for police and fire fighters in certain municipalities.

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 Section 6.04(f), Article 6243a-1, Revised Statutes, as follows:

(f) Requires that the disability pension of a Group B member, subject to certain subsections, be calculated as follows:

(1) for a member who began active service before March 1, 2011, the member's disability pension is required to be the sum of:

(A) makes no changes to this paragraph; plus

(B) the number of years of certain pension service, earned on or after September 1, 2017, prorated for fractional years, times 2.5 percent, rather than times the applicable percentage prescribed by Section 6.02(b-1) (relating to providing that the applicable percentage is based on a certain formula) of Article 6243a-1 (Pension System for Police Officers and Firefighters in Certain Cities), of the average computation pay determined over the 60 consecutive months of pension service in which the member received the highest computation pay; or

(2) makes no changes to this subdivision.

SECTION 2. Amends Section 6.08, Article 6243a-1, Revised Statutes, by amending Subsections (b) and (b-2) and adding Subsections (b-4) and (b-5), as follows:

(b) Requires that death benefits, subject to Subsection (b-2), be computed as follows for the qualified survivors of Group B members who die while on active service:

(1) the death benefit of a qualified survivor who is the spouse of a member who began active service:

(A) before March 1, 2011, is required to be the sum of:

(i) the number of years of certain pension service times, except as provided by Subsection (b-4), 1.5 percent of a certain amount; plus

(ii) the number of years of certain pension service, after September 1, 2017, prorated for fractional years, times, except as provided by Subsection (b-4), 1.25 percent, rather than times the applicable percentage rate set forth below, of the average computation pay determined over the 60 consecutive months of pension service in which the Group B member received the highest computation pay. Deletes existing text requiring that the death benefit be calculated according to certain rates; or

(B) on or after March 1, 2011, is required to be the number of years of certain pension service, prorated for fractional years, times, except as provided by Subsection (b-4) of this section, 1.25 percent of a certain amount; and

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

(b-2) Prohibits the death benefit calculated under Subsection (b) of this section from exceeding the greater of:

(1) except as provided by Subsection (b-4) of this section, a certain percentage; or

(2) makes no changes to this subdivision.

(b-4) Provides that, if a member dies in the line of duty, as determined by the board of trustees created under Section 3.01 (Board of Trustees) of this article for the purpose of administering the pension system (board) under Subsection (b-5) of this section, the percentage rate applied to the member's average computation pay under:

(1) Subsection (b)(1)(A)(i) is 3 percent instead of 1.5 percent at such time as there are qualified survivors who are either the member's children or surviving spouse, but not both;

(2) Subsection (b)(1)(A)(ii) is 2.5 percent instead of 1.25 percent at such time as there are qualified survivors who are either the member's children or surviving spouse, but not both;

(3) Subsection (b)(1)(B) is 2.5 percent instead of 1.25 percent at such time as there are qualified survivors who are either the member's children or surviving spouse, but not both; and

(4) Subsection (b-2)(1) is 90 percent instead of 45 percent.

(b-5) Provides that a member is considered to have died in the line of duty if the member's death is caused by the performance of the member's duties for the member's department. Requires the board to determine whether a member died in the line of duty. Authorizes the board, in making a determination under this subsection, to consider as guidance the determination of the same or similar issue made by another governmental entity.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2023.