

BILL ANALYSIS

H.B. 4034
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Pensions, Investments & Financial Services
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The City of Dallas police and fire fighters put their lives on the line every day when they go to work. Unlike many other professions, police and fire fighters are not guaranteed to come home at the end of the day. When an active member dies in the line of duty, their spouse or children are only able to access a portion of their loved one's pension benefit. While beneficiaries may elect to receive the total benefit in limited circumstances, doing so is usually not a good financial choice. H.B. 4034 seeks to fully honor the service of these first responders and make their surviving spouses and children financially whole by increasing the cap on death benefits for qualified survivors of active service members who die in the line of duty.

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. 4034 amends the Revised Statutes to change the method for calculating certain death benefits provided under the pension system for police officers and firefighters in a municipality with a population of more than 1.18 million and located predominantly in a county that has a total area of less than 1,000 square miles. The bill increases in the following manner the percentage rate that applies to the applicable average computation pay for a group B member who dies while on active service if the member dies in the line of duty:

- for purposes of determining the cap on death benefits for a qualified survivor of such a member, from 45 percent to 90 percent;
- for a death benefit provided to a qualified surviving spouse of a member who began active service before March 1, 2011, from 1.5 percent to 3 percent the rate that is multiplied by years of service earned before September 1, 2017, and, for years of service earned after that date, from an applicable rate between 1 percent and 1.25 percent to a rate of 2.5 percent; and
- for a death benefit provided to a qualified surviving spouse of a member who began active service on or after March 1, 2011, from 1.25 percent to 2.5 percent.

These increased rates apply at such time as there are qualified survivors who are either the member's children or surviving spouse, but not both. For purposes of these increases, 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 police or fire department, as applicable. The bill requires the pension system's board of trustees to determine whether a member died in the line

of duty and authorizes the board, in doing so, to consider as guidance the determination of the same or similar issue made by another governmental entity.

H.B. 4034, for purposes of computing disability benefits for a group B member who began active service before March 1, 2011, changes the percentage rate that applies to the applicable average computation pay that is multiplied by years of service earned on or after September 1, 2017, from an applicable rate between 2 percent and 2.5 percent to a rate of 2.5 percent.

H.B. 4034 applies only to a disability pension or death benefit for which an application is filed on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2023.